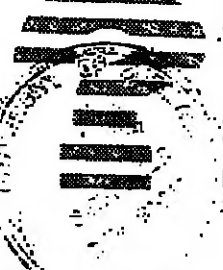


### Steelyard blues

US dumps a new problem on the world industry

Page 13



### Headhunting big game

Who has the right stuff to run IBM?

Page 9



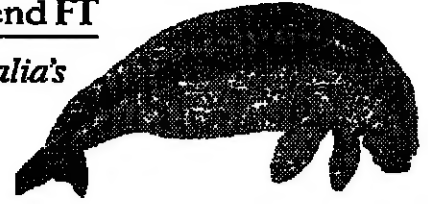
### It's not just Seattle

How Boeing's cuts affect suppliers worldwide

Page 15

### Tomorrow's Weekend FT

The wildlife of Australia's wild west coast



FT NEWSPAPER OF THE YEAR

# FINANCIAL TIMES

Europe's Business Newspaper

FRIDAY JANUARY 29 1993

D8523A

## UN may be asked to impose deal on Bosnian factions

Bosnia peace mediators Cyrus Vance and Lord Owen may soon ask the United Nations Security Council to impose a settlement on the three warring factions after little progress was made in intensive talks on dividing Bosnia into 10 semi-autonomous provinces. Page 14; Serbs set off dam mines, Page 2

**UK trade gap widens** Record imports caused Britain's trade deficit to widen to £1.74bn (£2.6bn) in December, the worst monthly level for 24 years. The annual current account deficit for 1992 was inflated to almost twice the size of the previous year. Page 14; Devaluation hits imports, Page 7; Lex, Page 14

**GM moves out of Finland** General Motors Europe has moved its Finnish car production to Germany, where it has been forced to introduce short-time working. Page 14; Chrysler triples net earnings, Page 15

**Harrods bombed** A bomb, believed set by the Provisional IRA, blasted an entrance of Harrods department store in London, injuring four people.

**Rabin calls for US help** Israeli prime minister Yitzhak Rabin asked the US to veto any UN action against Israel after the Israeli High Court approved last month's expulsion of more than 400 Palestinians to Lebanon. Page 4

**Nintendo to warn users over its games**



Nintendo, Japanese video games producer, says excessive playing of its products can be hazardous but only for people with a rare form of epilepsy. The company is to attach warnings to the products against playing when tired or for an excessive length of time. Page 10

**Asda, UK grocery retailer**, has launched a £347m (£537m) rights issue only 15 months after it raised £357m through a similar exercise. Page 15; Running fast but still fourth, Page 21; Lex, Page 14

**Charterhouse sales** German bank BHF and Credit Commercial de France, the French bank, are each expected to buy 46 per cent of Charterhouse, merchant banking subsidiary of Royal Bank of Scotland. Page 15

**Major sues magazines for libel** UK prime minister John Major issued libel writs against two London magazines, the Evening News and the Sunday Express, after they carried reports on unsubstantiated allegations about his private life. Page 7

**McDonald's record profit** McDonald's Corporation, the world's largest hamburger chain, reported record annual net profits of \$968.6m and modest gains in sales. Page 17

**National party MP to join Inkatha** A ruling South National party member of parliament said he was quitting to join Inkatha Freedom party headed by Zulu chief Mangosuthu Buthelesi.

**Cambodia poll dates** Elections for Cambodia's constituent assembly will be held on May 22-25, but there is no indication the Khmer Rouge will take part.

**Angola peace talks** The Angolan government and leaders of the Unita discussed a four-point plan intended to bring about a ceasefire.

**Engineering bosses offer deal** German engineering industry employers have offered to back subsidies for loss-making east German enterprises, if workers accept a pay rise slowdown. Page 3

**India debt accords** India and Russia resolved a long-standing debt dispute when prime minister P.V. Narasimha Rao and President Boris Yeltsin agreed terms for repayment of India's \$830bn (\$12.5bn) debt to the former Soviet Union. Page 3

**Former FT chairman** Lord Poole, chairman of the Financial Times from 1968 to 1990 and a former chairman of the UK Conservative party, died aged 82. Obituary, Page 10

**Arthur Hellyer**, FT gardening correspondent for 33 years, died aged 90.

STOCK MARKET INDICES		STERLING	
FT-SE 100	2,818.5 (-1.5)	New York Composite	1,512.25
Yield	4.34	London	1,515.00 (1.5145)
FT-SE Eurotrack 100	1,472.78 (-0.42)	OM	1,515.00 (2.3975)
FT-SE All-Share	1,388.48 (-0.44)	OM	1,515.00 (2.3975)
Nikkei	17,888.41 (+553.73)	FF	1,515.00 (8.11)
New York Composite	1,512.25 (+1.40)	SF	1,515.00 (2.2125)
Dow Jones Ind Ave	3,305.43 (+1.40)	Y	1,515.00 (187.78)
S&P Composite	438.56 (+0.85)	E Index	78.5 (187.78)
US LUNTIME RATES		DOLLAR	
Federal Funds	2.12%	New York Composite	1,512.25
3-mo T-bill	2.94%	OM	1,512.25
Long Bond	7.19%	FF	1,512.25
Yield	7.19%	SF	1,512.25
LONDON MONEY		Y	1,512.25
3-mo Interbank	5.5% (8.5%)	OM	1,512.25
Little long call future	Mar 101% (Mar 101%)	FF	1,512.25
NORTH SEA OIL (Argus)		SF	1,512.25
Brent 15-day (Mar)	\$18.475 (17.0)	Y	1,512.25
Gold	\$338.15 (329.9)	S Index	65.8 (85.7)
New York Comex (Feb)	\$338.15 (329.9)	Tokyo close	Y 124.75
London	\$338.15 (329.9)		

Austria	30.30	Greece	Dr300	Lat	UF60	Qatar	QR12.00
Bahrain	Dh1250	Hungary	HUF100	Malta	LM0.50	S.Arabia	SAR11
Belgium	Bfr40	India	Rs40	Morocco	MDh13	Singapore	S\$4.10
Bulgaria	LVG5.00	Indonesia	Rp2000	Norway	Nkr150	Slovakia	SKK25
Cyprus	C£1.00	Israel	Sh4.50	Poland	PLz100	Spain	Pt200
Czech Rep	Kcs20	Japan	Yen100	Portugal	Pt200	Sweden	SKr15
Denmark	Dkr15	Korea	Won200	Romania	Lei100	Switzerland	Sfr3.20
Egypt	E£1.50	Lebanon	US\$1.25	Russia	Rub100	Thailand	Bht50
Finland	Fmk10	Lithuania	LtL100	Saudi Arabia	SAR11	Turkey	Lira100
France	FFr100	Malaysia	RM1.00	Sri Lanka	LKR100	UAE	Dh11.00
Germany	Dm1.00	Philippines	Pso45	Taiwan	NT\$100		

## Clinton's advisers urge 'modest stimulus' to stop economy faltering

# US growth boost but jobs fear remains

By Michael Proulx in Washington

THE US economy grew at a surprisingly robust annual rate of 3.5 per cent in the final quarter of last year, the fastest pace since 1988, the Commerce Department reported yesterday.

The growth mainly reflected a surge in consumption, which grew at an annual rate of 4.3 per cent relative to the previous quarter.

The economy grew by 2.1 per cent in 1992 as a whole, a sharp rebound after a decline of 1.2 per cent in 1991.

However, senior advisers to President Bill Clinton believe the figures overstate the economy's underlying growth rate and are continuing to urge a modest economic stimulus worth \$150bn-\$200bn (\$240bn-£130bn) this year to ensure that growth does not falter again, as it did in both 1991 and 1992.

After meeting yesterday with Mr Alan Greenspan, the Federal Reserve chairman, Mr Clinton welcomed the figures. However, he noted that there was also "a lot of troubling news about jobs" - a reference to a wave of recent job cuts at leading US companies including International Business Machines, Sears Roebuck and Boeing. "We've got a lot of work to do," he said.

The expansion in the fourth quarter followed growth at an annual rate of 3.4 per cent in the third quarter. It was the seventh successive quarter of growth following a brief contraction in the winter of 1990-91.

Economists said the breakdown of growth was particularly encouraging. It did not reflect temporary factors such as a rebuilding of inventories by companies. The growth of consumption reflected a bigger than expected rise in disposable incomes rather than a further reduction in the personal savings rate, which stabilised at about 4.5 per cent.



Bill Clinton (left) holds a White House meeting with Alan Greenspan, chairman of the Federal Reserve Board. Mr Greenspan reported on Wednesday that the US economy was gaining strength

Investment spending was also stronger than anticipated. Corporate equipment investment grew at an annual rate of 11.7 per cent relative to the previous quarter while residential investment surged by 29 per cent, reflecting a recovery in the housing market.

Inflation remained subdued, with a broad index rising at an annual rate of 2.5 per cent.

Mr David Wyss, chief economist at DRI/McGraw-Hill, the forecasting group, said: "We can't keep up growth at 3.5 per cent. But decent growth of something like 3 per cent is likely this quarter." Others were less optimistic. Mr Bill Griggs, a Wall Street bond market analyst, said growth might be as low as 2 per cent at an annual rate in the current quarter, reflecting overexpansion by consumers in the Christmas season.

Scepticism about growth prospects reflects the abnormally slow pace of job creation. Unemployment rose last year in spite of the growth of output.

In congressional testimony on Wednesday, Mr Greenspan said the US had to come to terms with a "new economy". Structural changes had led to a sharply higher rate of productivity growth which meant that even robust growth might not create as many jobs as in the past.

Editorial Comment, Page 13  
Dow gains, Back Page Section II

## Two US airlines report heavy losses

By Nikki Tait in New York

THE TURMOIL in the US airline industry yesterday caused two of the largest carriers, United Airlines and Delta Air Lines, to report heavy losses for the final three months of 1992, and for the year overall.

UAL, United's parent company, made an after-tax loss of \$184m in the final three months, excluding one-off charges, and registered a \$370m deficit for the year.

The Chicago-based carrier also said negotiations with Boeing, the aircraft manufacturer, to reduce "significantly" its aircraft delivery schedule were continuing. The carrier - with over 450 Boeings on order and option - announced the latest round of talks with Boeing in December.

Delta, which switched from being a predominantly domestic airline to one with a considerable international presence when it acquired Pan Am's transatlantic routes in late 1991, made a net loss of \$128.3m in the three months to December 31. Its financial year ends in June, but in calendar 1992 its after-tax loss stood at \$564.8m.

Delta and United are two of the big three US carriers. The third, American Airlines, has already reported a \$475m after-tax loss for 1992 (before one-off accounting-related charges). The latest losses make 1992 the third consecutive year in which the US airline industry has made heavy losses. Net losses from the nine largest US carriers topped \$3bn in 1990, and \$1.6bn in 1991.

"Unacceptable is the only way to describe our fourth quarter results," said Mr Stephen Wolf, United chairman. "The industry remains in a state of chaos."

Delta echoed these comments, blaming the December quarter loss on "the continuing effect of uneconomical fare levels due to the implementation of a simplified fare structure earlier in 1992, discount fare promotions and a weak worldwide economy".

This month United announced a cost-cutting plan, involving the loss of 2,800 jobs and cancellation of plans to hire another 1,900 people. It ran into union opposition when it sought wage and benefit concessions from employees.

## Schlesinger squashes fast-track Emu idea

By Christopher Parkes in Frankfurt and Brussels

THE BUNDESBANK president yesterday squashed an idea, promoted by French and German leaders, that a select group of European Community countries could establish monetary union ahead of schedule.

Mr Helmut Schlesinger also warned that monetary stability had to be restored in Germany before there could be any further progress towards Emu.

The Maastricht treaty "states clearly that Emu can only start, in 1997, if a majority of the member states meet the required entry criteria", he said in a speech in Brussels.

"I am sticking to the text... The next time is 1998. I have no intention of shortening the period," he told a press conference later.

Mr Schlesinger said he had been "surprised about some public speculation envisaging the start of a far more narrowly defined Emu, for instance, without the Benelux countries".

While he did not name the source of the speculation, he was apparently responding in part to recent statements from Chancellor Helmut Kohl and President

François Mitterrand.

They agreed in a television interview that it could be possible to accelerate progress towards union. Recent French media reports have suggested the possibility of a Franco-German monetary pact.

Mr Schlesinger underlined his opposition to his chancellor's ambitions with a sharp reminder of the economic difficulties to be overcome in united Germany.

The country suffered from huge regional income differentials and structural problems unequally anywhere else in the Community.

It was in the interests of all EC member states that the country with the anchor currency - the D-Mark - should be able to return to full stability. This was "a prerequisite for any move forward on the road towards Emu".

In the run up to the establishment of a European central bank, national central banks had to retain responsibility for monetary policy. "This also means that a country cannot be pressured to relax its monetary policy at a stage when its fight against inflation has not yet been successful," he insisted.

Mr Schlesinger, who said he expected 4.4 per cent average inflation in western Germany this month, made plain that the rate of price increases had to be reduced before interest rates could be reduced. However, he stressed, monetary policy was not dictated by dogma.

"In cases where growth prospects have deteriorated and unemployment has increased, the Bundesbank has never kept interest rates high longer than necessary if there were signs of inflationary pressures easing," he added.

Despite a high rate of price increases in January Mr Schlesinger said he hoped west German inflation would fall this year to little more than 3 per cent.

## Fears grow for punt devaluation

RENEWED tension emerged inside the European exchange rate mechanism yesterday morning as fears grew that the punt would have to be devalued following the UK's 1 percentage point cut in base rates earlier in the week, writes James Blitt in London.

The French franc came under strong selling pressure against the D-Mark, falling by more than a dollar in the first hours of London trading, and bottoming out at FFf3.9850 against the D-Mark.

Three-month French francs were quoted at between 12% per cent and 13% per cent, nearly a full point above their level on Wednesday night.

The high cost of borrowing francs helped the French currency to recover to close at FFf3.985 in the afternoon. The D-Mark's strength was further sapped by a 3.5 per cent rise in fourth quarter gross domestic product in the US, compared to 3.4 per cent in the third quarter. The figure helped the dollar rise to a close of DM1.5855, a full penny above its low of the day.

However, the Irish punt was still below its floors against the Belgian franc and Dutch guilder after ERM trading officially closed at 4pm yesterday.

Currencies, Page 28

## Pepsi and Cadbury-Schweppes agree east Europe franchise deal

By Guy de Jonquieres, Consumer Industries Editor, in London

SALES OF Cadbury Schweppes soft drinks in eastern Europe are set to rise sharply as a result of a franchise deal with Pepsi-Cola of the US.

The deal, which may lead to further co-operation between the two companies in the region, is the first between them since the mid-1980s, when Cadbury Schweppes severed a bottling agreement with Pepsi in the UK and placed its British soft drinks businesses in a joint venture with Coca-Cola. Pepsi's arch-rival.

Pepsi will bottle and distribute Cadbury Schweppes brands, including Schweppes and Canada Dry, in Hungary, Poland, the Czech Republic and Slovakia. Initial annual output will exceed 10m cases and is expected to at least double in five years.

The companies plan to explore similar arrangements in other parts of eastern Europe, where Pepsi has operations in every country except Albania. It has operated in the former Soviet Union since the early 1970s and is investing \$150m in Ukraine.

Until now, Hungary and Bulgaria have been the only eastern European countries in which Cadbury Schweppes' soft drinks have been sold.

Some observers believe yesterday's agreement could lead to a much closer partnership, which might eventually extend to other parts of the world.

"It is a very important development in terms of what may lie ahead," said Mr Jessie Meyers, editor of Beverage Digest, a US publication which monitors the soft drinks industry. "This is a trust which could turn into a date and maybe even marriage."

Two years ago, Pepsi ended an important bottling franchise with Cadbury Schweppes in Spain. Cadbury Schweppes still bottles Pepsi products in southern Spain and France, while Pepsi has long distributed Cadbury Schweppes drinks in parts of the US.

Yesterday's agreement will help strengthen Pepsi's product range in the face of increased competition in eastern Europe from Coca-Cola.

Although Pepsi claims three times Coca-Cola's sales in the region, Coca-Cola is investing more than \$1bn there in an effort to catch up.

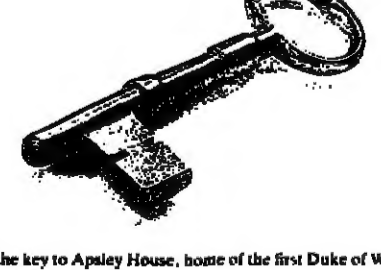
ahead," said Mr Jessie Meyers, editor of Beverage Digest, a US publication which monitors the soft drinks industry. "This is a trust which could turn into a date and maybe even marriage."

Two years ago, Pepsi ended an important bottling franchise with Cadbury Schweppes in Spain. Cadbury Schweppes still bottles Pepsi products in southern Spain and France, while Pepsi has long distributed Cadbury Schweppes drinks in parts of the US.

Yesterday's agreement will help strengthen Pepsi's product range in the face of increased competition in eastern Europe from Coca-Cola.

Although Pepsi claims three times Coca-Cola's sales in the region, Coca-Cola is investing more than \$1bn there in an effort to catch up.

## The key to No. 1 London.



This is the key to Apsey House, home of the first Duke of Wellington and known for over two hundred years as "No. 1 London".

For those who are aware of the subtle yet valuable distinctions in Private Banking, one name stands out in London: Swiss Bank Corporation. We provide a premium service to a prestigious clientele.

Whether you need personalised portfolio management, deposits or borrowings in Sterling or foreign currency, securities services or foreign exchange, we can deliver in the style and manner which has earned us a worldwide reputation for trust, discretion and security. Established in London for almost 100 years and combining a tradition of individual service with the strengths of a major international bank, we offer a global perspective which will become increasingly important to investors as we move through the 1990s. If you would like to learn more about our approach to Private Banking and Personal Portfolio Management, contact Angus Cruickshank on 071-771 4802.



The key Swiss bank

London Private Banking Office: 30A, Charles II Street, London SW1Y 4AE (a member of SBA).  
Office of the Chairman and Executive Board: CH-4001 Basel, Switzerland. Executive Board in Zurich: CH-8010 Zurich, Paradeplatz 6.



## NEWS: EUROPE

# Alert after Serbs set off dam mines

By Laura Silber in Belgrade

CROATIAN forces captured a strategic dam yesterday but said retreating Serb troops had set off three demolition mines at key points, threatening the structure with collapse.

Military and civilian government sources in the regional town of Sinj, 15km south of the Peruca dam, said Croatian forces had won control of the dam from rebel Serbs in the Krajina enclave.

In Sinj evacuation of more than 20,000 people in the valley below the dam was being considered.

Experts were being rushed to the scene to examine cracks in the dam from which water was spilling.

The heavily-mined dam provides electricity for its southern and central Adriatic coastal cities.

Artillery and mortar duels between Croat and Serb forces erupted on Wednesday night around the 65-metre high dam, which Serb rebels rigged with explosives last year.

If the dam ruptures, more than 500m cubic metres of water in the 13-mile-long reservoir would endanger tens of thousands of people.

Tanjung, the Belgrade news agency said Croat long-range artillery fire had hit the sluice gate adjacent to the dam. The dam lies at the far southern end of the self-proclaimed Serb state of Krajina ten miles outside the UN Protected Area.

UN officials say Krajina leaders in November 1991 warned that the dam had been rigged as a guarantee that Croat forces would not seize it.

Although damaged in the 1991 Serbo-Croat war, the Peruca dam is a crucial source of power for much of Dalmatia.

General Sash Nambiar, the commander of UN peacekeepers in the former Yugo-

slavia, said: "I am afraid it's a very grim situation." He was critical of the seven-day-old Croatian offensive into the disputed Serb enclave of Krajina. "I have to tell you quite frankly that this has been an immensely rash and ill-advised action."

"It could have destructive consequences which we have not yet witnessed," he said.

The Croatian government claimed that Serb fighters had driven 50 Kenyan peacekeepers from the Peruca dam, but that could not be confirmed.

Krajina's Serb commanders yesterday said they had halted the Croat military offensive across UN lines, reported Tanjung. "This creates conditions for a counter-offensive," said their statement, adding that Serb militia had retaken several villages seized by Croat forces since Friday.

In Bosnia, meanwhile, Moslems and Serbs were again involved in artillery and infantry attacks along the Drina River border with Serbia.

According to senior European Commission officials, Mr Flynn has been considering whether to redraft the directive. But following a meeting of social affairs ministers in Copenhagen yesterday, he said he would wait the report of the working group set up last June to resolve outstanding "technical" differences between France and Germany.

The British EC presidency of the second half of last year showed little enthusiasm to resolve such differences. The UK would be most affected by the directive, having to provide legal protection for workers unwilling to work more than 48 hours.

The UK government, which is threatening to take legal action against the directive even in its diluted form, argues that the measure would reintroduce rigidities into the labour market and add to costs in industry.

However the fact that Mr Flynn appears to be leaving open the possibility of an amendment to the 1977 Acquired Rights Directive, which has cast a shadow over contracting-out in the UK, will please the UK government.

That directive was intended to offer workers protection in company mergers but recent legal judgments seem to extend the protection to a broad range of public service workers whose functions are contracted out to the private sector.

Mr Ernest-Gunther Broeder, outgoing president of the European Investment Bank, yesterday issued a warning against those tempted to turn the bank into a soft-loan organisation to promote growth inside the European Community.

Presenting annual results for 1992, which showed an 11 per cent increase in EIB lending to Ecu17bn (\$21bn), Mr Broeder, acknowledged political pressure to use the bank to promote growth.

But he said the EIB's new lending criteria, agreed at the EC summit last month, should not be at the expense of the bank's credit rating in the capital markets.

"It is essential that the EIB remain a bank," Mr Broeder said, "rather than an instrument to provide equity and capital."

A German economist and bank executive, Mr Broeder is to retire in April after almost nine years.

He is to be succeeded by Sir Brian Urwin, former chairman of Customs and Excise in the UK.

The EIB has faced some criticism inside the European Commission for being sleepy and too cautious in its assessment of risk.

But its ability to raise money - Ecu13 bn in 1992 - in the capital markets at attractive rates, gives it a key role in the EC growth package aimed to enhance capital investment.

The EIB said yesterday that the first tranche of the special Ecu5bn lending facility agreed in Edinburgh should be available for specific projects in telecommunications, energy and transport by late-March or early-April.

The Ecu5bn would be spread over two years among the 12 EC member states.

The EIB will set up a European investment fund by the end of the year, with a subscribed capital of Ecu2bn, to act as a catalyst for infrastructure projects and to help small and medium-sized business.

The EIB is talking to 60-70 commercial banks about participation, though the final number is likely to be smaller.

These banks will take 30 per cent of the capital. The EIB is to take 40 per cent and the European Commission 40 per cent.

## Effort to unblock EC hours directive

By David Gardner in Copenhagen and David Goodhart in London

MR PADRAIG FLYNN, the new EC Commissioner for Social Affairs, is examining ways to unblock the controversial draft directive setting a 48 hour maximum working week.

He is also prepared to examine whether there is a case for amending the EC directive which protects the pay and conditions of workers in company mergers and which is currently causing uncertainty in the contracting-out of public services in the UK.

The working time directive, a centrepiece of the EC Social Charter, has been stuck in the legislative pipeline for nearly three years, mainly as a result of UK opposition. But since an agreement in principle resolving most British objections was brokered last June, the draft law has not moved forward.

"I would like to see this directive, and some of the others that have been blocked, moving on under the Danish presidency," Mr Flynn said yesterday. Denmark, currently in the EC chair, has made social policy a priority.

According to senior European Commission officials, Mr Flynn has been considering whether to redraft the directive. But following a meeting of social affairs ministers in Copenhagen yesterday, he said he would wait the report of the working group set up last June to resolve outstanding "technical" differences between France and Germany.

The British EC presidency of the second half of last year showed little enthusiasm to resolve such differences. The UK would be most affected by the directive, having to provide legal protection for workers unwilling to work more than 48 hours.

The UK government, which is threatening to take legal action against the directive even in its diluted form, argues that the measure would reintroduce rigidities into the labour market and add to costs in industry.

However the fact that Mr Flynn appears to be leaving open the possibility of an amendment to the 1977 Acquired Rights Directive, which has cast a shadow over contracting-out in the UK, will please the UK government.

That directive was intended to offer workers protection in company mergers but recent legal judgments seem to extend the protection to a broad range of public service workers whose functions are contracted out to the private sector.

Mr Ernest-Gunther Broeder, outgoing president of the European Investment Bank, yesterday issued a warning against those tempted to turn the bank into a soft-loan organisation to promote growth inside the European Community.

Presenting annual results for 1992, which showed an 11 per cent increase in EIB lending to Ecu17bn (\$21bn), Mr Broeder, acknowledged political pressure to use the bank to promote growth.

But he said the EIB's new lending criteria, agreed at the EC summit last month, should not be at the expense of the bank's credit rating in the capital markets.

"It is essential that the EIB remain a bank," Mr Broeder said, "rather than an instrument to provide equity and capital."

A German economist and bank executive, Mr Broeder is to retire in April after almost nine years.

He is to be succeeded by Sir Brian Urwin, former chairman of Customs and Excise in the UK.

The EIB has faced some criticism inside the European Commission for being sleepy and too cautious in its assessment of risk.

But its ability to raise money - Ecu13 bn in 1992 - in the capital markets at attractive rates, gives it a key role in the EC growth package aimed to enhance capital investment.

The EIB said yesterday that the first tranche of the special Ecu5bn lending facility agreed in Edinburgh should be available for specific projects in telecommunications, energy and transport by late-March or early-April.

The Ecu5bn would be spread over two years among the 12 EC member states.

The EIB will set up a European investment fund by the end of the year, with a subscribed capital of Ecu2bn, to act as a catalyst for infrastructure projects and to help small and medium-sized business.

The EIB is talking to 60-70 commercial banks about participation, though the final number is likely to be smaller.

These banks will take 30 per cent of the capital. The EIB is to take 40 per cent and the European Commission 40 per cent.

The EIB is talking to 60-70 commercial banks about participation, though the final number is likely to be smaller.

These banks will take 30 per cent of the capital. The EIB is to take 40 per cent and the European Commission 40 per cent.

The EIB is talking to 60-70 commercial banks about participation, though the final number is likely to be smaller.

These banks will take 30 per cent of the capital. The EIB is to take 40 per cent and the European Commission 40 per cent.

## Flynn opts for a flexible approach

EC commissioner ready to set new priorities, write David Goodhart and David Gardner

THE European Commission's new social affairs commissioner, Mr Padraig Flynn, comes across - rather deliberately - as the provincial Irish politician, nursing his stronghold in County Mayo, and unversed in EC policy.

But it is possible the critics in Brussels and Dublin - who are comparing him unfavourably with his Irish predecessor at the Commission, Mr Ray MacSharry - may be repeating the mistake they made when Mr MacSharry took over as agriculture commissioner in 1989.

Mr MacSharry was initially characterised as a "rough diamond" without the intellect of his predecessor, the urbane competition commissioner, Mr Peter Sutherland. Yet Mr MacSharry was one of the undoubted successes of the last Commission, in a politically treacherous and technically arcane area of EC policy.

It has been widely assumed that Mr Flynn will be more attentive to his prospects of succeeding Mr Albert Reynolds as Irish prime minister than to the details of Community social policy.

Yet, after barely a month in Brussels, he is acquiring a reputation as a canny operator. He engineered this month's declaration of support by EC finance ministers for the Irish punt, still under speculative siege within the ERM.

He also seems ready to set important new priorities in EC policy.

Talking to the Financial Times last week he suggested that the prescriptive and detailed approach to the social dimension championed by his predecessor as social affairs commissioner, Ms Vasso Papandreou, had run its course.

"We've reached a hiatus, a



Padraig Flynn: provincial Irish politician who seems ready to set important policy priorities

natural kind of hiatus, with the social action programme," he said.

That programme, enforcing minimum standards across the EC's workplaces, grew out of Mr Jacques Delors' 1989 Social Charter - although Mr Delors himself opposed turning it into social legislation.

Much of the programme has run up against a combination of recession and opposition from member states, although some elements, such as the directive which lays down strict controls on working time, may slip through the net.

Mr Flynn is now calling for

"a year of consolidation" and a more strategic approach, with the Commission laying down a framework of minimum standards "without getting involved in the details," which should be left to employers and unions.

"The detail should be worked out when the legislation passes through national legislatures, the flexibility must be there," he says.

His officials promise a review of social dimension goals and methods by the end of this year. They also say privately that the social dimension has been hijacked since

1989 by the European trade unions and it is time to return to the broader theme of a Citizens Europe.

"The Community has to be identified by ordinary people as having a direction," says Mr Flynn. He says that means highlighting the issue of unemployment in the EC, which will reach 11 per cent this year; to which an "Employment Week" conference is planned for October.

Mr Flynn says he also wants to make "a big push" to allow EC citizens to work and live in other EC countries. Legislation on free movement and mutual

recognition of qualifications is in place, but there are many practical and bureaucratic obstacles to living and working in other EC countries - currently only 2 per cent of EC citizens do so.

His officials say that there are a few areas where further legislation is needed, such as on the mobility of occupational pensions, but what is really needed is a commissioner who is prepared to do battle with those countries that are not applying legislation.

Mr Flynn, who was justice minister in the Irish government, brings to social affairs the two extra portfolios of immigration and justice: a combination that means he should be in a good position to engage in just such a battle.

However, there is the danger that Mr Flynn will disappear into arguments about drugs, asylum and terrorism, as internal borders within the EC are dismantled. He will also be busy ensuring that Ireland continues to receive its relatively favourable treatment from the EC social fund.

His officials are keen that he reforms the rather bureaucratic social fund to make it more like the user-friendly regional fund, but Mr Flynn points out that those countries, such as Ireland, which have made effective use of the social fund have few complaints.

Many of Mr Flynn's aims will be welcomed by the British government, which was barely on speaking terms with his predecessor. However the "liberalisation" of the social dimension which Mr Flynn appears to stand for may face resistance from his own government, which now includes the Irish Labour Party, and from his own officials, who are more used to friendly social democrats.

## German employers in subsidy plan

By Quentin Peel in Bonn

GERMANY'S engineering industry employers said yesterday they were ready to back plans for substantial subsidies to loss-making east German enterprises, provided engineering workers accepted a slowdown in their pay rises.

Details of the deal were leaked yesterday by IG Metall, the engineering workers' union, and promptly denounced by the employers, because of the lack of a new wages agreement.

The employers said that a secret document, spelling out the rescue programme for eastern industry, was "not authorised." It had been agreed by negotiators "only with the express precondition that there would be a revision of the wage contracts" in east Germany. That was still rejected by the union, the most powerful in Germany.

The "solidarity pact" for the engineering industry would, if it can still be agreed, provide a key element for the wider solidarity pact between the German government, opposition, employers and unions, to

finance the cost of east German economic recovery.

A renegotiation of the engineers' existing wages deal in the east, which would grant a 26 per cent pay increase on April 1, and parity with western workers by 1994, has been a key demand of both the German government and industrialists for the planned solidarity pact. The engineering pay deal is seen as the key to a series of wage equalisation contracts in the east, which have made eastern industry uncompetitive, and slowed down private investment in the region.

The joint paper worked out by negotiators for IG Metall, and Gesamtmetall, the employers' organisation, calls for extended investment subsidies beyond 1996, special preferences for the products of east German manufacturing industry, and a new deal to support exports by east German enterprises to eastern Europe.

It proposes a long-term trade deal with states of the former Soviet Union.

The whole programme would be financed by savings and re-ordered priorities in the government budget.

But he said the EIB's new lending criteria, agreed at the EC summit last month, should not be at the expense of the bank's credit rating in the capital markets.

"It is essential that the EIB remain a bank," Mr Broeder said, "rather than an instrument to provide equity and capital."

A German economist and bank executive, Mr Broeder is to retire in April after almost nine years.

He is to be succeeded by Sir Brian Urwin, former chairman of Customs and Excise in the UK.

The EIB has faced some criticism inside the European Commission for being sleepy and too cautious in its assessment of risk.

But its ability to raise money - Ecu13 bn in 1992 - in the capital markets at attractive rates, gives it a key role in the EC growth package aimed to enhance capital investment.

The EIB said yesterday that the first tranche of the special Ecu5bn lending facility agreed in Edinburgh should be available for specific projects in telecommunications, energy and transport by late-March or early-April.

The Ecu5bn would be spread over two years among the 12 EC member states.

The EIB will set up a European investment fund by the end of the year, with a subscribed capital of Ecu2bn, to act as a catalyst for infrastructure projects and to help small and medium-sized business.

The EIB is talking to 60-70 commercial banks about participation, though the final number is likely to be smaller.

## Outgoing EIB president issues warning

By Lionel Barber in Brussels

MR ERNEST-GUNTHER BROEDER, outgoing president of the European Investment Bank, yesterday issued a warning against those tempted to turn the bank into a soft-loan organisation to promote growth inside the European Community.

Presenting annual results for 1992, which showed an 11 per cent increase in EIB lending to Ecu17bn (\$21bn), Mr Broeder, acknowledged political pressure to use the bank to promote growth.

But he said the EIB's new lending criteria, agreed at the EC summit last month, should not be at the expense of the bank's credit rating in the capital markets.

"It is essential that the EIB remain a bank," Mr Broeder said, "rather than an instrument to provide equity and capital."

A German economist and bank executive, Mr Broeder is to retire in April after almost nine years.

He is to be succeeded by Sir Brian Urwin, former chairman of Customs and Excise in the UK.

The EIB has faced some criticism inside the European Commission for being sleepy and too cautious in its assessment of risk.

But its ability to raise money - Ecu13 bn in 1992 - in the capital markets at attractive rates, gives it a key role in the EC growth package aimed to enhance capital investment.

The EIB said yesterday that the first tranche of the special Ecu5bn lending facility agreed in Edinburgh should be available for specific projects in telecommunications, energy and transport by late-March or early-April.

The Ecu5bn would be spread over two years among the 12 EC member states.

The EIB will set up a European investment fund by the end of the year, with a subscribed capital of Ecu2bn, to act as a catalyst for infrastructure projects and to help small and medium-sized business.

The EIB is talking to 60-70 commercial banks about participation, though the final number is likely to be smaller.

These banks will take 30 per cent of the capital. The EIB is to take 40 per cent and the European Commission 40 per cent.

## French Socialists reconciled to poll disaster

After the long years of power, President Mitterrand's party knows its time is up. David Buchan reports on the election prospects



ASSEMBLEE NATIONALE  
Elections '93

THE talk these days at the Rue Solferino headquarters of France's ruling Socialists is of rebuilding the party - but after, not before, the parliamentary

elections in March. For there, as in the rest of the country, it is assumed that in seven weeks' time the Socialists will take their worst electoral hammering in nearly 30 years. Certainly, Mr Laurent Fabius, the Socialists' secretary-general, has again this week complained at the widespread expectation of a right-wing landslide.

But Mr Christian Prieret, the Socialists' campaign co-ordinator, sets his sights low when he says he hopes that "by the end of the campaign we will reach 23-24 per cent in the opinion polls". A couple of extra percentage points in the polls would make all the difference,

he says. If in March the Socialists won only the 19-20 per cent of the vote which most polls now give them, the number of their deputies would sink from 270 to 80-90. But 23-24 per cent could, under the majority voting system, translate into 130-150 seats. This, says Mr Prieret, "could be considered a victory - or at least an honourable defeat".

The modesty of Socialists' hopes and the magnitude of their fears are not surprising, given their disarray. Mrs Marie-Noelle Lienemann can say publicly the party's "time is over" and still keep her job as junior housing minister. Mr Jean-Pierre Chevènement, the left-wing opponent of Maastricht, can run a slate of 30 dissident Socialist candidates (one of them against Mr Roland Dumas, the foreign minister) and still stay on the party's national committee.

This is tolerance born of weakness after the battering which the Socialists have taken during a decade in power. Even their pre-1986

stint in government continues to haunt them. Mr Fabius, who was prime minister in 1984-86, and two ex-health ministers are to go before a parliamentary impeachment procedure to defend themselves against charges of negligence in allowing Aids-contaminated blood to be given to haemophiliacs.

More widely damaging are the charges of taking illegal (because hidden) corporate cash, on which Mr Henri Emmanuelli, the National Assembly president and ex-Socialist treasurer, has been indicted. In organising a national redistribution of kickbacks on public contracts, the Socialists may just have been doing more openly what all French parties have long done in a less organised way. But the effect was worse, says Mr Prieret, because "we used to be regarded as the party of the politically pure".

President Francois Mitterrand went too far for his own party in proposing last autumn a total ban on companies funding political parties. The

Socialists joined other parties in passing a law simply requiring greater disclosure of corporate cash.

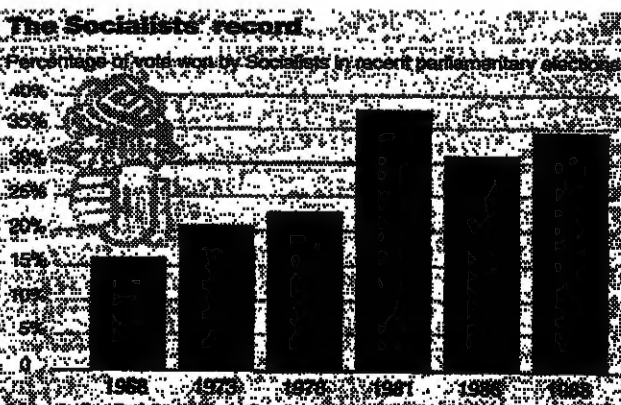
Yet the president is himself a liability to his fellow Socialists. With a 26 per cent approval rating in last weekend's IPOP poll, his popularity is back down to where it was before the Maastricht referendum. Nor have president and prime minister been pulling smoothly in harness. Within a fortnight of Mr Mitterrand's New Year message, which sent the Socialists into battle under the slogan of defending social policy gains, Prime Minister Pierre Bérégovoy was suggesting that one solution for France's financially-strapped state pension scheme would be to make people work longer before qualifying for retirement pay.

The Socialist governments of 1981-96 saw through social reforms including a lower retirement age and reduced working hours. Mr Prieret regrets they did not do more in the good years of the late 1980s: "Now we are regarded as

serious managers of the system, not as reformers."

On the economy, the government has chalked up a number of achievements in the last year, getting inflation down to a 36-year low of 2 per cent and producing a FF30bn (\$6.55bn) trade surplus. But part of the price of success is a jobless total of nearly 3m. This weighs heavily on Socialist shoulders.

In such a period of decline, perhaps inevitable after so long in power, the Socialists' structural flaws become more evident. One of the weaknesses is that, unlike social democratic parties in the rest of



Europe, the party has no natural constituency within the trade unions. It has also let slip from its grasp the ecological movement, which is progressing far faster in France than elsewhere in Europe.

A CAF opinion poll yesterday put Generation Ecologie, together with the Greens, at 19 per cent, ahead of the Socialists with 17.5 per cent.

Virtually the only consolation on the Rue Solferino is the knowledge that France's right is as sharply divided as the Socialists. Playing on the opposition's divisions is the Socialists' best, maybe only, gambit.

### SWANSEA

BEST RESOURCE PACKAGE FOR BUSINESS

- ✓ Skilled Labour Force
- ✓ Grants and Loans
- ✓ Low Overhead Costs
- ✓ Excellent Communications
- ✓ Quality of Life
- ✓ Professional Help and Support for Business

Telephone or send for details:-

I am interested in existing and proposed:-

- ☐ FOOD PARK
- ☐ HI-TEC PREMISES
- ☐ FACTORIES/WAREHOUSES
- ☐ OFFICES
- ☐ MARITIME UNITS

TO: MICHAEL BURNS, SWANSEA CENTRE FOR TRADE & INDUSTRY, SINGLETON STREET, SWANSEA SA1 3QH. TELEPHONE: (0792) 476666

NAME \_\_\_\_\_

COMPANY \_\_\_\_\_

POSITION \_\_\_\_\_

ADDRESS \_\_\_\_\_

SWANSEA CENTRE FOR TRADE & INDUSTRY

هكذ من الشهل



## French step up campaign on state aid

By David Buchan in Paris

THE FRENCH government, under growing electoral pressure, yesterday stepped up its campaign to prevent what it sees as foreign countries' attempts to entice investment away from France.

France is to ask the European Commission to investigate the UK aid given to Hoover to persuade the US company to relocate a vacuum cleaner plant to Scotland with the loss of 600 jobs in the Dijon region, Mr Pierre Bérégovoy, the prime minister, confirmed yesterday.

At the same time, he said that if Grundig, the German electronics company, closed its television plant at Creutzwald in north-east France and transferred production to Vienna, he would protest to the Austrian government. Grundig, which was considering possible closure at its headquarters in Fuerth yesterday, said the issue would be discussed again at another board meeting on February 12.

Mr Bérégovoy said that if Austria wanted to join the European Community "it must respect certain rules of the game".

A spokeswoman for Mr Bérégovoy accepted Brussels' denial that it had not given Hoover any direct EC aid. But she said the Scottish Office assistance to Hoover fell into the category of national aid "which has to be authorised by the Commission" and that France wanted to ensure such

authorisation had been duly given. "It is not in the spirit of the Treaty of Rome to destroy jobs in one country to create them in another," she said.

Mr Jean-Pierre Solson, the agriculture minister, who is also president of the Burgundy region where Hoover's Dijon plant has been located, complained that the US company had indulged in "Apache tactics", scalping various European governments for their investment aid.

Mr Richard Rankin, marketing director of Hoover Europe, denied this on French radio and said his company sought a meeting with the French authorities to explain their decision.

Within two months, France's ruling Socialists face a general election in which a poll yesterday predicted they would win less than the Greens. Unemployment has risen sharply, with new figures due out today expected to top 8m.

At his weekly press conference, Mr Bérégovoy also called for a real EC debate on "social dumping," the prospect of a competitive undercutting of work and pay levels to attract investment.

But the government appears to be leaving it to the French trade unions to complain to their European colleagues about the restrictions which Scottish unions have accepted to woo Hoover. In the Manchester treaty, the UK exempted by its EC partners from much future Community social legislation.



Car workers from the Chausson-Creuil car components plant, jointly controlled by Renault and Peugeot, protesting at planned lay-offs, force their way into the Paris Bourse yesterday, where they halted trading in stock options and financial futures

## G7 near deal on nuclear safety fund

LEADING industrial nations, fearing another Chernobyl-style nuclear disaster, have finalised plans for a \$700m fund to improve safety at east European reactors, Reuters reports from Bonn.

Officials who took part in nearly six months of German-led talks by experts from the Group of Seven states said yesterday that agreement had been reached on rules for the fund.

They said swift approval by the governments of the US, Japan, Canada, Germany, France, Britain and Italy was expected. The fund would be administered by the London-based European Bank for Reconstruction and Development (EBRD), which specialises in helping Europe's former communist states.

At least Ecu80m (\$74m) would need to be

pledged, the officials added.

Other industrial countries are expected to join the G7 with contributions to the so-called "nuclear safety account".

One official said: "There are signals, especially from the Nordic countries but also from others, that they want to take part."

The fund will finance loans to east European governments for upgrading operations and hardware in projects that cannot be covered by bilateral aid. The safety improvements are for some of the 32 Soviet-built reactors deemed safe enough to be worth upgrading.

However, another 36 reactors, most of them of the same type as the one at Chernobyl plant which exploded in April 1986, will be excluded.

Western experts say they are inherently unstable.

Germany will contribute DM21m (\$13.2m) a year to the fund during its initial three years, from 1993 to 1996.

The US and Japan, whose doubts about a multilateral fund were largely blamed for stalling the project, will also pay into the fund, although officials declined to say how much.

The plan was agreed in principle last July at a Munich summit of the G7 nations. But its slow progress has been an embarrassment for western governments who said they wanted emergency steps to prevent a repeat of the world's worst nuclear disaster, when Chernobyl spewed radiation over much of Europe in April 1986.

## India and Russia resolve 15-year dispute over debt

By Shiraz Sidhva in New Delhi

INDIA and Russia yesterday resolved a 15-year-long debt dispute which has marred relations between the two countries since the collapse of the former Soviet Union.

President Boris Yeltsin and Mr PV Narasimha Rao, India's prime minister, agreed that repayment of India's Rs380bn (\$8.2bn) debt to the former Soviet Union would be based on exchange rates which would reduce the total amount, and that repayments would be stretched over about 45 years.

Mr Yeltsin, on a three-day visit to India, had cordial talks with Mr Rao as part of a bid to improve relations which have suffered since the collapse of Soviet communism, with Delhi turning towards the United States. He expressed support for India on issues such as its dispute with Pakistan over Kashmir.

The Soviet Union had allowed India to make payments in rupees. But depreciation of the rouble had made unrealistic Russia's demands for repayment of debts built up in this way, Indian officials said.

"The rupee-rouble settlement will allow us to establish meaningful bilateral relations, starting afresh," an Indian official said.

Under the agreement, details of which were being worked out last night, 63 per cent of the debt will be repaid at the January 1, 1990 rate of Rs19.9 per rouble, and the remainder at the Rs31.57 rate of April 1, 1992.

The two countries have also signed 10 agreements on the second day of President Yeltsin's visit, including a treaty of friendship and co-operation, defence co-operation, trade, narcotics control, security, and co-operation in the fields of science and technology, culture, and information.

Mr Sharad Pawar, Indian defence minister and his Russian counterpart, Mr Pavel Grachev, signed a comprehensive defence agreement to guarantee supply of defence equipment, spares, product support and services needed for the maintenance, repair and modernisation of frontline Russian armament deployed by the Indian armed forces.

A defence ministry official said the defence agreement would boost India's defence preparedness and relieve a crisis of spare parts of the Russian defence equipment that India heavily relied upon, such as the MiG-29 fighter aircraft, the upgraded T-72M tanks, mobile anti-aircraft missile systems, warship missile spares and other ranges of Russian helicopters and giant transport aircraft.

India and Russia also signed four trade agreements on the modalities of counter-trade, debt repayment, utilisation of technical credit, and India's repayment for machinery and equipment from the erstwhile Soviet Union.

Under the counter-trade agreement, persons from either country would be free to import and export goods and services on the basis of any internationally-recognised form of business co-operation.

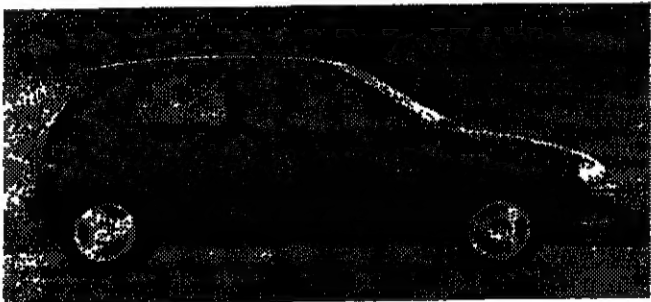
## New small car is unveiled today

GENERAL Motors Europe unveils today its new generation small car, the Opel/Vauxhall Corsa pictured below, which has been developed at a cost of around DM1.5bn (\$599m), writes Kevin Done.

GM (Opel in continental Europe and Vauxhall in the UK) is aiming to increase significantly its share of the market for small cars in west Europe with the launch of the new Corsa against rivals such

as the Ford Fiesta, Fiat Uno, Renault Clio and Peugeot 106. GM has reduced the development time for the Corsa to only 36 months, its fastest new model development programme in Europe.

Small cars in the Corsa/Fiesta class account for around 28 per cent of all new car sales in west Europe. GM will build the Corsa at its plant at Zaragoza, Spain and at Eisenach in eastern Germany.



## Manila leader calls for more foreign investment

By Kieran Cooke in Kuala Lumpur

PRESIDENT Fidel Ramos of the Philippines has made a strong appeal for more foreign investment in his country, saying his government's openness to investors is "wholehearted and unequivocal".

Mr Ramos, who is on a four-day state visit to Malaysia, said the Philippines was determined to create a favourable climate for investors and was already tackling some of the country's problems, such as power shortages and crime.

Urging Malaysian business to pay more attention to the Philippines, the president said investment and two-way trade

between the two countries was still very small. Malaysian investments represent less than 1 per cent of total foreign investment in the Philippines. Malaysia's trade with the Philippines is also under 1 per cent of its total trade.

Mr Ramos is making the first state visit to Malaysia by a Philippines president for 25 years, though both countries are in the Association of South-east Asian Nations.

The Malaysian state of Sabah is 2 1/2 hours by air from Kuala Lumpur, but not far from the south of the Philippines, and hundreds of thousands of Filipinos work there.

Mr Ramos and Dr Mahathir agreed to set up a joint commission to review the position of these migrants. It was also agreed to investigate setting up an economic zone encompassing Sabah, the Philippines island of Mindanao and the Indonesian island of Sulawesi.

## Sharp rise in air travel

EUROPEAN airlines said yesterday the number of passengers they carried on international routes rose by 12 per cent last year, but the increase largely represented recovery of traffic lost during 1991, Reuters reports from Brussels.

The Association of European Airlines said its 23 members carried 110m passengers over the year, 11.7m up on 1991 when traffic was hit by the Gulf war which persuaded many prospective passengers to stay at home.

The AEA also forecast gloomy financial results for its members last year.

## Oman tank deal may be worth £150m

By David White, Defence Correspondent

MR JOHN MAJOR, the British prime minister, yesterday confirmed that Oman had agreed to buy Challenger 2 tanks from Vickers of the UK.

The purchase, expected to be worth about £150m including spares and training, is the first export order for the new British tank in a fiercely competitive world market.

It follows British contracts from Oman for Hawk jet aircraft and two missile-carrying corvettes. Mr Major, on a stop-over on his return from India, made the announcement in Muscat after talks with Sultan Qaboos bin Said, Oman's ruler.

The initial contract will involve 18 tanks and four armoured repair and recovery vehicles and is expected to be followed by another order for 20-30 tanks.

Vickers already provides support services for Oman's fleet of UK-made Chieftain tanks.

Mr Major said the sale would sustain employment at Vickers' tank factories in Leeds and Newcastle upon Tyne, which each employ about 800 people.

Vickers is depending on export business to keep both production lines in operation after the UK government's decision in 1991 to buy only 140 of the new Challenger 2s.

The Omani deal follows a big setback to Vickers' export hopes last October, when Kuwait opted to buy 236 M1A2 Abrams tanks, made by General Dynamics of the US, in preference to the Challenger 2.

Thomson-CSF, the French defence electronics group, and Short Brothers, the Belfast aerospace company owned by Bombardier of Canada, both refused comment yesterday on speculation about an imminent link-up in the missile business.

However, they said discussions were continuing on jointly developing a successor to Shorts' Starstreak missile.

## Dutch retail sales rise

RETAIL sales in the Netherlands rose 2.7 per cent in 1992, buoyed by gains in both food and non-food sectors, according to preliminary figures released by the Dutch Central Bureau for Statistics, AP-DJ reports from Amsterdam.

The data, which was not corrected for price increases, also showed sales at the country's department stores grew just 0.8 per cent last year. Department store sales rose 1.4 per cent in 1991.

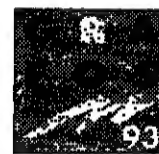
The 1992 Dutch retail sales continued a declining trend over the past two years.

## MADRID, SPAIN'S TRADE FAIR CAPITAL IN MADRID IN FEBRUARY

### TRADE FAIRS AND EXHIBITIONS

### JUAN CARLOS I EXHIBITION PARK

4-8 FEBRUARY



**GRAFOS**  
Stationery and Fine Arts  
Supplies Trade Show.

17-21 FEBRUARY



**INTERNATIONAL FASHION WEEK**

**INMODA-ANIMODA**  
Imported Women's Fashion  
Fair.

**IMAGENMODA**  
International Women's Fashion  
Fair.

**INTERMODA**  
Inter-season Fashion Fair.

**IBERMODA**  
Men's Fashion Fair.

18-21 FEBRUARY

18-21 FEBRUARY

18-21 FEBRUARY

18-22 FEBRUARY



**IBERJOYA**  
International Jewellery,  
Silverware and Watch  
Exhibition.

## CRYSTAL PAVILION. CASA DE CAMPO

**ARCO**  
International  
Contemporary Art Fair.



12-17 FEBRUARY

**INFOIFEMA**  
Tel. (34-1) 722 51 80  
Tel. (34-1) 722 50 00  
Fax. (34-1) 722 58 01  
**IBERTEX: \*IFEMA#**  
28067 MADRID-SPAIN

Offices in: London, Paris, Milano, Brussels.  
Spanish Chamber of Commerce in Great Britain.  
Tel: (44-71) 637 90 61. Fax: (44-71) 436 71 88.  
Spanish Chamber of Commerce in France.  
Tel: (33-1) 42 60 12 60. Fax: (33-1) 47 42 70 02.  
Spanish Chamber of Commerce in Italy.  
Tel: (39-2) 72 00 26 33. Fax: (39-2) 72 02 22 98.  
Spanish Chamber of Commerce in Belgium.  
Tel: (32-2) 219 13 89. Fax: (32-2) 218 11 57.



The Financial Times (Europe) Ltd  
Published by The Financial Times  
(Europe) GmbH, Frankfurt Branch,  
Nibelungenplatz 3, 6000  
Frankfurt-am-Main 1. Telephone 49 69  
15850. Fax 49 69 5964421. Telex  
416193. Represented by E. Hugo,  
Managing Director. Printer: DVM  
GmbH-Hürthener International, 6078  
Neu-Isenburg 4. Responsible editor:  
Richard Lambert, Financial Times.  
Number One Southwark Bridge,  
London SE1 9HL. The Financial Times  
Ltd, 1993.

Registered office: Number One,  
Southwark Bridge, London SE1 9HL.  
Company incorporated under the laws  
of England and Wales. Chairman:  
D.E.P. Palmer. Main shareholders: The  
Financial Times Limited, The Financial  
Times Newspaper Limited. Publishing director: J.  
Rolley, 168 Rue de Rivoli, 75004 Paris  
France. Tel: (33-1) 4297 0621. Fax: (33-1)  
4297 0625. Editor: Richard Lambert.  
Printer: SA Nord Editeur, 15/21 Rue de  
Caire, 59100 Roubaix Cedex 1. ISSN:  
ISSN 1148-2753. Commission Paritaire  
No 67808D.

Financial Times (Scandinavia)  
Vimmelskaftet 42A, DK-1161  
Copenhagen-K. Denmark. Telephone  
(33) 13 44 41. Fax (33) 935335.



## NEWS: INTERNATIONAL

## Major in attempt to ease allies' Gulf fears

By Ralph Atkins in Riyadh

BRITISH Prime Minister John Major yesterday sought to reassure the Gulf allies of the UK, US and France that attacks on Iraq were not intended to break up the country.

Speaking in Oman, he said the allied countries were united in strategy against Iraq's President Saddam Hussein. "I am quite confident of that," Mr Major said, in spite of some evidence of tension over recent attacks.

Later, Mr Major had dinner with King Fahd of Saudi Arabia in Riyadh, where he was expected to discuss the delayed second phase of the Al Yamamah arms sales project, under which British Aerospace expects to win contracts for 48 Tornado bombers and other weapons.

The second phase was to have been agreed on more than four years ago.

Mr Major was conscious that Oman and Saudi Arabia are concerned about Iran's strengthening as a regional power no longer checked by Iraq. But, in his talks with Sultan Qaboos of Oman, he would have emphasised that allied strikes enforced United Nations resolutions and international law.

Mr Major's discussions also covered the Bosnian situation. He played down the chances of UK military intervention to protect Muslims there, saying that helping humanitarian aid and searching for a political settlement were, "for the time being, the way forward."

He told a news conference that he supported calls for the 400 Palestinians expelled by Israel "to be returned from whence they came."

France yesterday called on the UN Security Council to force Israel to take back the 400 Palestinians it expelled and questioned an Israeli court decision upholding the deportations.

"It is up to the Security Council to enforce Resolution 799," Foreign Ministry spokesman Daniel Bernard said.

## Rabin calls on US to prevent UN action

By Hugh Carnegie in Jerusalem

ISRAELI Prime Minister Yitzhak Rabin yesterday called on the US to block any punitive action against Israel by the United Nations following approval by the Israeli High Court of the unprecedented expulsion last month of more than 400 Palestinians to Lebanon.

The unanimous decision by the court's seven judges removed any prospect of Israel abiding by UN Security Council resolution 799 which condemned the expulsions as illegal and demanded their immediate reversal. It further dimmed the prospects of an early resumption of Middle East peace talks.

The Palestine Liberation Organisation said it was seeking an urgent meeting of the Security Council to impose sanctions on Israel. The issue poses a dilemma for Washington, which opposes sanctions but which backed resolution 799 and is reluctant to use its UN veto for what would be the first time in two years.

Mr Rabin said he looked to President Clinton to protect Israel at the UN. "This has

been the policy of all Presidents and all administrations of the US. Certainly that is what I expect."

The prime minister gave little sign of any move to compromise over the issue which Washington - and many members of his government - favour. He said he believed peace negotiations would resume and succeed.

But Palestinian leaders and Arab governments said the High Court ruling damaged efforts to make peace. The PLO reiterated that it would not return to talks until the deportees were returned home.

The court said the expulsion of the 415 alleged Islamic fundamentalist militants was legal under an emergency regulation promulgated in 1945 under the British Mandate. Although subsequently annulled by Britain, Israel continues to recognise Mandate orders. The High Court rejects the UN insistence that the Fourth Geneva Convention, which bars expulsions, applies to the occupied territories.

The court insisted that those expelled be able to appeal personally in military tribunals. But it accepted the government's submission that it had

the right to expel them without the right to prior appeal under the special circumstances which prevailed at the time. The expulsions followed a spate of killings of Israeli soldiers by Islamic militants.

The army said it would provide facilities for appeals in Lebanon territory it occupies close to where the deportees have been camped for six weeks. The deportees say they will refuse to appeal.

The court did rule against a general expulsion order covering unspecified numbers, but ruled that the individual expulsion orders against the Palestinians were legal.

Israeli lawyers said these rulings opened the way to further mass expulsions. Palestinians said they underscored their belief that the Israeli legal system was a sham when it came to Palestinian rights.

Mr Rabin said he hoped the international community would note the High Court's reference to examples in US and British law where the right to prior appeal was waived. It cited from the US was the need to remove bad meat from public sale and to force people with infectious diseases into hospital.

Israeli lawyers said these rulings opened the way to further mass expulsions. Palestinians said they underscored their belief that the Israeli legal system was a sham when it came to Palestinian rights.

Mr Rabin said he hoped the international community would note the High Court's reference to examples in US and British law where the right to prior appeal was waived. It cited from the US was the need to remove bad meat from public sale and to force people with infectious diseases into hospital.

Israeli lawyers said these rulings opened the way to further mass expulsions. Palestinians said they underscored their belief that the Israeli legal system was a sham when it came to Palestinian rights.

Mr Rabin said he hoped the international community would note the High Court's reference to examples in US and British law where the right to prior appeal was waived. It cited from the US was the need to remove bad meat from public sale and to force people with infectious diseases into hospital.

Israeli lawyers said these rulings opened the way to further mass expulsions. Palestinians said they underscored their belief that the Israeli legal system was a sham when it came to Palestinian rights.

Mr Rabin said he hoped the international community would note the High Court's reference to examples in US and British law where the right to prior appeal was waived. It cited from the US was the need to remove bad meat from public sale and to force people with infectious diseases into hospital.

Israeli lawyers said these rulings opened the way to further mass expulsions. Palestinians said they underscored their belief that the Israeli legal system was a sham when it came to Palestinian rights.

Mr Rabin said he hoped the international community would note the High Court's reference to examples in US and British law where the right to prior appeal was waived. It cited from the US was the need to remove bad meat from public sale and to force people with infectious diseases into hospital.

Israeli lawyers said these rulings opened the way to further mass expulsions. Palestinians said they underscored their belief that the Israeli legal system was a sham when it came to Palestinian rights.

Mr Rabin said he hoped the international community would note the High Court's reference to examples in US and British law where the right to prior appeal was waived. It cited from the US was the need to remove bad meat from public sale and to force people with infectious diseases into hospital.

Israeli lawyers said these rulings opened the way to further mass expulsions. Palestinians said they underscored their belief that the Israeli legal system was a sham when it came to Palestinian rights.

Mr Rabin said he hoped the international community would note the High Court's reference to examples in US and British law where the right to prior appeal was waived. It cited from the US was the need to remove bad meat from public sale and to force people with infectious diseases into hospital.

Israeli lawyers said these rulings opened the way to further mass expulsions. Palestinians said they underscored their belief that the Israeli legal system was a sham when it came to Palestinian rights.

Mr Rabin said he hoped the international community would note the High Court's reference to examples in US and British law where the right to prior appeal was waived. It cited from the US was the need to remove bad meat from public sale and to force people with infectious diseases into hospital.

Israeli lawyers said these rulings opened the way to further mass expulsions. Palestinians said they underscored their belief that the Israeli legal system was a sham when it came to Palestinian rights.

Mr Rabin said he hoped the international community would note the High Court's reference to examples in US and British law where the right to prior appeal was waived. It cited from the US was the need to remove bad meat from public sale and to force people with infectious diseases into hospital.

Israeli lawyers said these rulings opened the way to further mass expulsions. Palestinians said they underscored their belief that the Israeli legal system was a sham when it came to Palestinian rights.

Mr Rabin said he hoped the international community would note the High Court's reference to examples in US and British law where the right to prior appeal was waived. It cited from the US was the need to remove bad meat from public sale and to force people with infectious diseases into hospital.

Israeli lawyers said these rulings opened the way to further mass expulsions. Palestinians said they underscored their belief that the Israeli legal system was a sham when it came to Palestinian rights.

Mr Rabin said he hoped the international community would note the High Court's reference to examples in US and British law where the right to prior appeal was waived. It cited from the US was the need to remove bad meat from public sale and to force people with infectious diseases into hospital.

Israeli lawyers said these rulings opened the way to further mass expulsions. Palestinians said they underscored their belief that the Israeli legal system was a sham when it came to Palestinian rights.

Mr Rabin said he hoped the international community would note the High Court's reference to examples in US and British law where the right to prior appeal was waived. It cited from the US was the need to remove bad meat from public sale and to force people with infectious diseases into hospital.

Israeli lawyers said these rulings opened the way to further mass expulsions. Palestinians said they underscored their belief that the Israeli legal system was a sham when it came to Palestinian rights.

Mr Rabin said he hoped the international community would note the High Court's reference to examples in US and British law where the right to prior appeal was waived. It cited from the US was the need to remove bad meat from public sale and to force people with infectious diseases into hospital.

Israeli lawyers said these rulings opened the way to further mass expulsions. Palestinians said they underscored their belief that the Israeli legal system was a sham when it came to Palestinian rights.

Mr Rabin said he hoped the international community would note the High Court's reference to examples in US and British law where the right to prior appeal was waived. It cited from the US was the need to remove bad meat from public sale and to force people with infectious diseases into hospital.

## Cambodia's ambitious prince wins out

THE FACT that yesterday's meeting of the Cambodian Supreme National Council was held 3,000 miles away from Cambodia - in Beijing - was only the latest indication of how the volatile Prince Norodom Sihanouk has bent the UN's most expensive peace-keeping mission to his will.

Prince Sihanouk says he needs to stay in Beijing to be tended by his Chinese doctors, and is thought to have suffered a minor stroke recently.

But this has not stopped the 70-year-old prince from cajoling and in some cases strong-arming the five permanent members of the UN Security Council into accepting his plan to have him elected Cambodian president.

Cambodian elections, threatened by continued violence and intimidation of voters, were one of the main topics of discussions in Beijing yesterday between the four Cambodian factions, the UN, and various governments.

The Cambodian peace accords signed in Paris in October 1991 provided for a general election to be held in May this year under UN auspices, part of an operation costing about \$3bn (£1.9bn). Yesterday's meeting agreed that the election would take place between May 23 and 25.

The accords made no mention of a presidential poll, but Prince Sihanouk has persuaded most of the signatories that his presidency will be vital for the stability of Cambodia, particularly while the soon-to-be-elected national assembly works to approve a constitution and form a government.

Another reason, frequently repeated by the prince in private, is his desire to win a popular mandate for his leadership and blot out the ignominy of his overthrow in a coup by Lon Nol in 1970.

France, Russia and China

First, they fear that his authoritarian tendencies, amply demonstrated in the past, will come to the fore in an office whose powers cannot be defined until there is a Cambodian constitution in August.

There is already worried talk of "a new Sangkum", a reference to a movement created by the prince in 1955 which defeated his long-established

political opponents with considerable help from a campaign of intimidation and repression.

Second, there is concern that Prince Sihanouk's weaknesses will be ruthlessly exploited by the Khmer Rouge, the extreme left-wing group blamed for the deaths of 1m Cambodians between the overthrow of Lon Nol in 1975 and the Vietnamese invasion of 1978.

The Khmer Rouge has repeatedly violated the Paris accords by breaking the ceasefire and refusing to allow the UN access to its territory, although it signed the agreements in 1991 and is one of the four factions represented on the SNC. It has rejected the elections and is not among the 20 parties that applied for official registration before the deadline on Wednesday.

Yet, like almost any Cambodian leader, Prince Sihanouk will be so appalled by the idea of a divided country after the

were content with the idea of Prince Sihanouk becoming president before the general election. The US, Britain and the UN were not. The prince forced them to agree: by retiring to Beijing and sulking, by briefly carrying out a threat to cease co-operating with the UN, and by refusing to sign agreements for much-needed loans from institutions such as the World Bank (in his capacity as SNC chairman).

UN officials and western diplomats muttered "blackmail" but yielded to the prince, leaving only the timing of the presidential election unresolved.

The risks involved in alienating the ambitious prince - revered by peasants as Cambodia's "god-king" - were evidently too high. But the diplomats involved in the negotiations over Cambodia are painfully aware that there are dangers too in making him president.

political opponents with considerable help from a campaign of intimidation and repression.

Second, there is concern that Prince Sihanouk's weaknesses will be ruthlessly exploited by the Khmer Rouge, the extreme left-wing group blamed for the deaths of 1m Cambodians between the overthrow of Lon Nol in 1975 and the Vietnamese invasion of 1978.

The Khmer Rouge has repeatedly violated the Paris accords by breaking the ceasefire and refusing to allow the UN access to its territory, although it signed the agreements in 1991 and is one of the four factions represented on the SNC. It has rejected the elections and is not among the 20 parties that applied for official registration before the deadline on Wednesday.

Yet, like almost any Cambodian leader, Prince Sihanouk will be so appalled by the idea of a divided country after the

were content with the idea of Prince Sihanouk becoming president before the general election. The US, Britain and the UN were not. The prince forced them to agree: by retiring to Beijing and sulking, by briefly carrying out a threat to cease co-operating with the UN, and by refusing to sign agreements for much-needed loans from institutions such as the World Bank (in his capacity as SNC chairman).

UN officials and western diplomats muttered "blackmail" but yielded to the prince, leaving only the timing of the presidential election unresolved.

The risks involved in alienating the ambitious prince - revered by peasants as Cambodia's "god-king" - were evidently too high. But the diplomats involved in the negotiations over Cambodia are painfully aware that there are dangers too in making him president.

political opponents with considerable help from a campaign of intimidation and repression.

Second, there is concern that Prince Sihanouk's weaknesses will be ruthlessly exploited by the Khmer Rouge, the extreme left-wing group blamed for the deaths of 1m Cambodians between the overthrow of Lon Nol in 1975 and the Vietnamese invasion of 1978.

The Khmer Rouge has repeatedly violated the Paris accords by breaking the ceasefire and refusing to allow the UN access to its territory, although it signed the agreements in 1991 and is one of the four factions represented on the SNC. It has rejected the elections and is not among the 20 parties that applied for official registration before the deadline on Wednesday.

Yet, like almost any Cambodian leader, Prince Sihanouk will be so appalled by the idea of a divided country after the

were content with the idea of Prince Sihanouk becoming president before the general election. The US, Britain and the UN were not. The prince forced them to agree: by retiring to Beijing and sulking, by briefly carrying out a threat to cease co-operating with the UN, and by refusing to sign agreements for much-needed loans from institutions such as the World Bank (in his capacity as SNC chairman).

UN officials and western diplomats muttered "blackmail" but yielded to the prince, leaving only the timing of the presidential election unresolved.

The risks involved in alienating the ambitious prince - revered by peasants as Cambodia's "god-king" - were evidently too high. But the diplomats involved in the negotiations over Cambodia are painfully aware that there are dangers too in making him president.

political opponents with considerable help from a campaign of intimidation and repression.

Second, there is concern that Prince Sihanouk's weaknesses will be ruthlessly exploited by the Khmer Rouge, the extreme left-wing group blamed for the deaths of 1m Cambodians between the overthrow of Lon Nol in 1975 and the Vietnamese invasion of 1978.

The Khmer Rouge has repeatedly violated the Paris accords by breaking the ceasefire and refusing to allow the UN access to its territory, although it signed the agreements in 1991 and is one of the four factions represented on the SNC. It has rejected the elections and is not among the 20 parties that applied for official registration before the deadline on Wednesday.

Yet, like almost any Cambodian leader, Prince Sihanouk will be so appalled by the idea of a divided country after the

were content with the idea of Prince Sihanouk becoming president before the general election. The US, Britain and the UN were not. The prince forced them to agree: by retiring to Beijing and sulking, by briefly carrying out a threat to cease co-operating with the UN, and by refusing to sign agreements for much-needed loans from institutions such as the World Bank (in his capacity as SNC chairman).

UN officials and western diplomats muttered "blackmail" but yielded to the prince, leaving only the timing of the presidential election unresolved.

The risks involved in alienating the ambitious prince - revered by peasants as Cambodia's "god-king" - were evidently too high. But the diplomats involved in the negotiations over Cambodia are painfully aware that there are dangers too in making him president.

political opponents with considerable help from a campaign of intimidation and repression.

Second, there is concern that Prince Sihanouk's weaknesses will be ruthlessly exploited by the Khmer Rouge, the extreme left-wing group blamed for the deaths of 1m Cambodians between the overthrow of Lon Nol in 1975 and the Vietnamese invasion of 1978.

The Khmer Rouge has repeatedly violated the Paris accords by breaking the ceasefire and refusing to allow the UN access to its territory, although it signed the agreements in 1991 and is one of the four factions represented on the SNC. It has rejected the elections and is not among the 20 parties that applied for official registration before the deadline on Wednesday.

Yet, like almost any Cambodian leader, Prince Sihanouk will be so appalled by the idea of a divided country after the

were content with the idea of Prince Sihanouk becoming president before the general election. The US, Britain and the UN were not. The prince forced them to agree: by retiring to Beijing and sulking, by briefly carrying out a threat to cease co-operating with the UN, and by refusing to sign agreements for much-needed loans from institutions such as the World Bank (in his capacity as SNC chairman).

UN officials and western diplomats muttered "blackmail" but yielded to the prince, leaving only the timing of the presidential election unresolved.

political opponents with considerable help from a campaign of intimidation and repression.

Second, there is concern that Prince Sihanouk's weaknesses will be ruthlessly exploited by the Khmer Rouge, the extreme left-wing group blamed for the deaths of 1m Cambodians between the overthrow of Lon Nol in 1975 and the Vietnamese invasion of 1978.

The Khmer Rouge has repeatedly violated the Paris accords by breaking the ceasefire and refusing to allow the UN access to its territory, although it signed the agreements in 1991 and is one of the four factions represented on the SNC. It has rejected the elections and is not among the 20 parties that applied for official registration before the deadline on Wednesday.

Yet, like almost any Cambodian leader, Prince Sihanouk will be so appalled by the idea of a divided country after the

were content with the idea of Prince Sihanouk becoming president before the general election. The US, Britain and the UN were not. The prince forced them to agree: by retiring to Beijing and sulking, by briefly carrying out a threat to cease co-operating with the UN, and by refusing to sign agreements for much-needed loans from institutions such as the World Bank (in his capacity as SNC chairman).

UN officials and western diplomats muttered "blackmail" but yielded to the prince, leaving only the timing of the presidential election unresolved.

The risks involved in alienating the ambitious prince - revered by peasants as Cambodia's "god-king" - were evidently too high. But the diplomats involved in the negotiations over Cambodia are painfully aware that there are dangers too in making him president.

political opponents with considerable help from a campaign of intimidation and repression.

Second, there is concern that Prince Sihanouk's weaknesses will be ruthlessly exploited by the Khmer Rouge, the extreme left-wing group blamed for the deaths of 1m Cambodians between the overthrow of Lon Nol in 1975 and the Vietnamese invasion of 1978.

The Khmer Rouge has repeatedly violated the Paris accords by breaking the ceasefire and refusing to allow the UN access to its territory, although it signed the agreements in 1991 and is one of the four factions represented on the SNC. It has rejected the elections and is not among the 20 parties that applied for official registration before the deadline on Wednesday.

Yet, like almost any Cambodian leader, Prince Sihanouk will be so appalled by the idea of a divided country after the

were content with the idea of Prince Sihanouk becoming president before the general election. The US, Britain and the UN were not. The prince forced them to agree: by retiring to Beijing and sulking, by briefly carrying out a threat to cease co-operating with the UN, and by refusing to sign agreements for much-needed loans from institutions such as the World Bank (in his capacity as SNC chairman).

UN officials and western diplomats muttered "blackmail" but yielded to the prince, leaving only the timing of the presidential election unresolved.

The risks involved in alienating the ambitious prince - revered by peasants as Cambodia's "god-king" - were evidently too high. But the diplomats involved in the negotiations over Cambodia are painfully aware that there are dangers too in making him president.

political opponents with considerable help from a campaign of intimidation and repression.

Second, there is concern that Prince Sihanouk's weaknesses will be ruthlessly exploited by the Khmer Rouge, the extreme left-wing group blamed for the deaths of 1m Cambodians between the overthrow of Lon Nol in 1975 and the Vietnamese invasion of 1978.

The Khmer Rouge has repeatedly violated the Paris accords by breaking the ceasefire and refusing to allow the UN access to its territory, although it signed the agreements in 1991 and is one of the four factions represented on the SNC. It has rejected the elections and is not among the 20 parties that applied for official registration before the deadline on Wednesday.

Yet, like almost any Cambodian leader, Prince Sihanouk will be so appalled by the idea of a divided country after the

were content with the idea of Prince Sihanouk becoming president before the general election. The US, Britain and the UN were not. The prince forced them to agree: by retiring to Beijing and sulking, by briefly carrying out a threat to cease co-operating with the UN, and by refusing to sign agreements for much-needed loans from institutions such as the World Bank (in his capacity as SNC chairman).

UN officials and western diplomats muttered "blackmail" but yielded to the prince, leaving only the timing of the presidential election unresolved.

The risks involved in alienating the ambitious prince - revered by peasants as Cambodia's "god-king" - were evidently too high. But the diplomats involved in the negotiations over Cambodia are painfully aware that there are dangers too in making him president.

political opponents with considerable help from a campaign of intimidation and repression.

Second, there is concern that Prince Sihanouk's weaknesses will be ruthlessly exploited by the Khmer Rouge, the extreme left-wing group blamed for the deaths of 1m Cambodians between the overthrow of Lon Nol in 1975 and the Vietnamese invasion of 1978.

The Khmer Rouge has repeatedly violated the Paris accords by breaking the ceasefire and refusing to allow the UN access to its territory, although it signed the agreements in 1991 and is one of the four factions represented on the SNC. It has rejected the elections and is not among the 20 parties that applied for official registration before the deadline on Wednesday.

Yet, like almost any Cambodian leader, Prince Sihanouk will be so appalled by the idea of a divided country after the

were content with the idea of Prince Sihanouk becoming president before the general election. The US, Britain and the UN were not. The prince forced them to agree: by retiring to Beijing and sulking, by briefly carrying out a threat to cease co-operating with the UN, and by refusing to sign agreements for much-needed loans from institutions such as the World Bank (in his capacity as SNC chairman).

UN officials and western diplomats muttered "blackmail" but yielded to the prince, leaving only the timing of the presidential election unresolved.

The risks involved in alienating the ambitious prince - revered by peasants as Cambodia's "god-king" - were evidently too high. But the diplomats involved in the negotiations over Cambodia are painfully aware that there are dangers too in making him president.

political opponents with considerable help from a campaign of intimidation and repression.

Second, there is concern that Prince Sihanouk's weaknesses will be ruthlessly exploited by the Khmer Rouge, the extreme left-wing group blamed for the deaths of 1m Cambodians between the overthrow of Lon Nol in 1975 and the Vietnamese invasion of 1978.

The Khmer Rouge has repeatedly violated the Paris accords by breaking the ceasefire and refusing to allow the UN access to its territory, although it signed the agreements in 1991 and is one of the four factions represented on the SNC. It has rejected the elections and is not among the 20 parties that applied for official registration before the deadline on Wednesday.

Yet, like almost any Cambodian leader, Prince Sihanouk will be so appalled by the idea of a divided country after the

were content with the idea of Prince Sihanouk becoming president before the general election. The US, Britain and the UN were not. The prince forced them to agree: by retiring to Beijing and sulking, by briefly carrying out a threat to cease co-operating with the UN, and by refusing to sign agreements for much-needed loans from institutions such as the World Bank (in his capacity as SNC chairman).

UN officials and western diplomats muttered "blackmail" but yielded to the prince, leaving only the timing of the presidential election unresolved.

political opponents with considerable help from a campaign of intimidation and repression.

Second, there is concern that Prince Sihanouk's weaknesses will be ruthlessly exploited by the Khmer Rouge, the extreme left-wing group blamed for the deaths of 1m Cambodians between the overthrow of Lon Nol in 1975 and the Vietnamese invasion of 1978.

The Khmer Rouge has repeatedly violated the Paris accords by breaking the ceasefire and refusing to allow the UN access to its territory, although it signed the agreements in 1991 and is one of the four factions represented on the SNC. It has rejected the elections and is not among the 20 parties that applied for official registration before the deadline on Wednesday.

Yet, like almost any Cambodian leader, Prince Sihanouk will be so appalled by the idea of a divided country after the

were content with the idea of Prince Sihanouk becoming president before the general election. The US, Britain and the UN were not. The prince forced them to agree: by retiring to Beijing and sulking, by briefly carrying out a threat to cease co-operating with the UN, and by refusing to sign agreements for much-needed loans from institutions such as the World Bank (in his capacity as SNC chairman).

UN officials and western diplomats muttered "blackmail" but yielded to the prince, leaving only the timing of the presidential election unresolved.

The risks involved in alienating the ambitious prince - revered by peasants as Cambodia's "god-king" - were evidently too high. But the diplomats involved in the negotiations over Cambodia are painfully aware that there are dangers too in making him president.

political opponents with considerable help from a campaign of intimidation and repression.

Second, there is concern that Prince Sihanouk's weaknesses will be ruthlessly exploited by the Khmer Rouge, the extreme left-wing group blamed for the deaths of 1m Cambodians between the overthrow of Lon Nol in 1975 and the Vietnamese invasion of 1978.

The Khmer Rouge has repeatedly violated the Paris accords by breaking the ceasefire and refusing to allow the UN access to its territory, although it signed the agreements in 1991 and is one of the four factions represented on the SNC. It has rejected the elections and is not among the 20 parties that applied for official registration before the deadline on Wednesday.

Yet, like almost any Cambodian leader, Prince Sihanouk will be so appalled by the idea of a divided country after the

were content with the idea of Prince Sihanouk becoming president before the general election. The US, Britain and the UN were not. The prince forced them to agree: by retiring to Beijing and sulking, by briefly carrying out a threat to cease co-operating with the UN, and by refusing to sign agreements for much-needed loans from institutions such as the World Bank (in his capacity as SNC chairman).

UN officials and western diplomats muttered "blackmail" but yielded to the prince, leaving only the timing of the presidential election unresolved.

The risks involved in alienating the ambitious prince - revered by peasants as Cambodia's "god-king" - were evidently too high. But the diplomats involved in the negotiations over Cambodia are painfully aware that there are dangers too in making him president.

political opponents with considerable help from a campaign of intimidation and repression.

Second, there is concern that Prince Sihanouk's weaknesses will be ruthlessly exploited by the Khmer Rouge, the extreme left-wing group blamed for the deaths of 1m Cambodians between the overthrow of Lon Nol in 1975 and the Vietnamese invasion of 1978.

The Khmer Rouge has repeatedly violated the Paris accords by breaking the ceasefire and refusing to allow the UN access to its territory, although it signed the agreements in 1991 and is one of the four factions represented on the SNC. It has rejected the elections and is not among the 20 parties that applied for official registration before the deadline on Wednesday.

Yet, like almost any Cambodian leader, Prince Sihanouk will be so appalled by the idea of a divided country after the

were content with the idea of Prince Sihanouk becoming president before the general election. The US, Britain and the UN were not. The prince forced them to agree: by retiring to Beijing and sulking, by briefly carrying out a threat to cease co-operating with the UN, and by refusing to sign agreements for much-needed loans from institutions such as the World Bank (in his capacity as SNC chairman).

UN officials and western diplomats muttered "blackmail" but yielded to the prince, leaving only the timing of the presidential election unresolved.

The risks involved in alienating the ambitious prince - revered by peasants as Cambodia's "god-king" - were evidently too high. But the diplomats involved in the negotiations over Cambodia are painfully aware that there are dangers too in making him president.

political opponents with considerable help from a campaign of intimidation and repression.</



## AMERICAN STEEL TARIFFS

Clinton administration may look at the fairness of its own trade laws

# US not planning a steel war yet

By Nancy Dunne in Washington

A SHORT statement by Mr Ron Brown, the new US commerce secretary, was easily lost amid the cries of outrage which greeted Wednesday's steel dumping decisions.

"These determinations follow mandated procedures and other results of exhaustive investigations; as such they are not policy statements," he said.

After one week on the job, the Clinton administration has found itself "on a train which had already left the station" as far as steel is concerned, said one Washington analyst. The Commerce Department and US trade representatives still lack the deputies, under secretaries and assistant secretaries whose influence will be vital in designing and implementing trade policies.

US officials have been at pains to emphasise that Wednesday's decision

was preliminary. The Commerce Department will make its final determinations between April 12 and mid-June. The International Trade Commission will then have 45 days to decide if the imports have caused injury to the US industry.

Where President Bill Clinton has had to be specific - on supporting the North American free trade agreement - he displayed a willingness to take on domestic interests, and the labour unions, for the sake of a forward-leaning policy. It will not be conducive to good relations in North America if the final decision is to impose dumping duties of 45-76 per cent on Mexican steel and up to 68.7 per cent on Canadian steel.

The Canadian government has reacted to the steel cases in a way bound to grab the attention of the new administration. Three weeks ago it

found American steel companies guilty of dumping steel plate. Today it is expected to find the US guilty of dumping hot rolled steel.

Mr Frederik Palmer, chairman of Stelco, the largest Canadian-based steel producer, drove the point home at a press conference in Washington on Wednesday. "This kind of tit-for-tat action is ridiculous," he said. "It diverts our attention, our time and our money from dealing with the real structural challenges facing the steel industry in North America."

Canada's swift and strong response illustrates the danger foreseen by many US trade experts. The use of "unfair" trade laws is spreading and providing a tool for protection-minded industries the world over.

With the US industry in jeopardy, the administration may take a closer look at the fairness of its own trade laws.

They give the Commerce Department considerable discretion in how it determines dumping and subsidies. There is a growing body of literature finding those formulas skewed towards the domestic industry. Critics complain that the US dumping law punishes foreigners for pricing behaviour that is no different from that of US companies, or that does not really distort trade patterns.

Another common criticism was voiced on Wednesday by the American Institute for International Steel, which represents importers. The dumping margins were overstated because they are based on distorted exchange rates.

The Clinton administration may agree to negotiate another round of "voluntary quotas". Or it may move to reform its trade laws. The much-abused "policy wonks" now in power have to be given time to study their options.

# EC tries to step back from confrontation

By Our Foreign Staff

THE European Community yesterday stepped back from confrontation with the Clinton administration over the US Commerce Department's decision on Wednesday to impose stiff anti-dumping penalties on carbon steel producers from 19 countries.

In remarks which tempered earlier condemnation of the decision to impose preliminary duties, the EC made clear that it did not wish to paint the new administration in Washington as protectionist.

"We do not believe there has been an ideological change," said a spokesman for Sir Leon Brittan, EC trade commissioner. He guardedly welcomed a statement from Mr Ron Brown, US commerce secretary, that the anti-dumping decision was based on mandated legal procedures, and was not a new policy statement from the Clinton administration.

The Commission effort to calm the first storm of criticism appeared aimed at leaving Sir Leon plenty of room for manoeuvre when he meets Mr Mickey Kantor, his US counterpart, in Washington on February 11. It may also have been aimed at averting unnecessary public attacks which could jeopardise already-fragile prospects for an agreement in the Gatt global trade talks.

However, Eurofer, the European confederation of iron and steel industry, condemned the

duties as "extremely serious" for the future of international trade, as well as being unjust, unacceptable and arbitrary.

In Paris, an angry government threatened to push for a EC complaint to the General Agreement on Tariffs and Trade against the US duties.

The move would block all French and German steel exports to the US, claimed Mr Francis Mer, chairman of Usinor Sacilor, the French state-owned steel group which is the world's second largest producer.

That represented a loss of \$2bn (£1.3bn) annual exports to the US, claimed Mr Francis Mer, chairman of Usinor Sacilor, the French state-owned steel group which is the world's second largest producer.

In Germany, Mr Rupert Vondran, head of the German Steel Federation, denounced the US decision as blatantly protectionist and called on the German government and the EC to confront it with firm action.

He said the US measures would affect 600,000 tonnes of German steel exports worth just under DM500m (£295.7m). A further 6m tonnes of products from other steel producers barred from the US would increase pressure on European markets and exacerbate the problems which have thrown the European steel industry into recession, he said.

He said German steel companies had already curbed their deliveries to the US last year. They remained 40 per cent below quotas allocated to them by the US administration.

The US was trying "to settle domestic problems at the expense of foreign trade partners". He said price leaders on the US markets were not foreign steel importers but the local mini-mills, which enjoyed favourable costs and had lifted market share from 14 to 24 per cent in the last few years.

In London, the department of Trade and Industry described the US measures as "protectionist" and "an outrageous harassment".

Mr Michael Heseltine, trade and industry secretary, had written to Mr Brown saying the move was unjustified and disproportionate.

Privately, senior EC officials were seething yesterday at the US decision, which comes as Europe's steel producers are suffering from falling prices and cheap imports from eastern Europe.

They expressed most irritation at the way EC producers had been penalised during a period including the 10 years to March 1992, when a "voluntary" restraint agreement for steel between the US, the EC and other leading steel exporters was in force.

By Lionel Barber in Brussels, William Dawkins in Paris, Ariane Genillard in Bonn and David Owen in London

# Japanese fear protectionism may be on the rise in Washington

Tokyo may be more assertive in future, reports Michiyo Nakamoto

THE preliminary ruling by the US that Japan and 18 other countries have been dumping steel products in the US triggered dismay and a flurry of protest yesterday from the Japanese authorities and the steel industry.

Both the foreign ministry and the Ministry of International Trade and Industry (MitI) promptly issued statements expressing deep regret at the rulings and called on the US authorities to make "truly impartial judgments" in reaching their final ruling in April.

Mr Hiroshi Saito, president of Nippon Steel, the world's largest steel company, and chairman of the Japan Iron and Steel Federation, said the Japanese steel industry had made serious efforts to ensure orderly trade with the US and would continue to press its claim that Japanese imports were not being dumped in the US and were not harming the US industry.

The Japanese authorities and industry officials warned that the massive filing of anti-dumping and countervailing petitions could adversely affect

the relationship between the Japanese and US steel industries and pose a serious obstacle to progress in agreeing rules for world steel trade through the Multilateral Steel Agreement negotiations.

The steel ruling, in the wake of reports that the Big Three car makers are preparing to file dumping actions against imported cars and suggestions that the new administration of President Bill Clinton may revive the Super 301 provision of the US Trade Act, has

fanned fears in Japan of growing US protectionism.

Concerns about a protectionist administration in the US has already led to widespread public debate in Japan over what the country needs to do to defuse tension with the US.

While publicly the authorities say it is too early to tell what trade policy the new US administration will adopt, recent official statements indicate that Japan may adopt a more assertive stance in putting its case forward in trade

disputes with the US.

Both MitI and the foreign ministry claimed yesterday that the problems of the US steel industry stem largely from domestic causes.

"It is... difficult for Japan to consider that Japanese steel products could have damaged the US steel industry at the time when the VRA [Voluntary Restraint Arrangement] was in place until the end of March last year," the foreign ministry said.

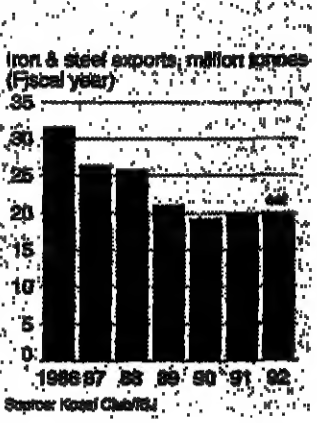
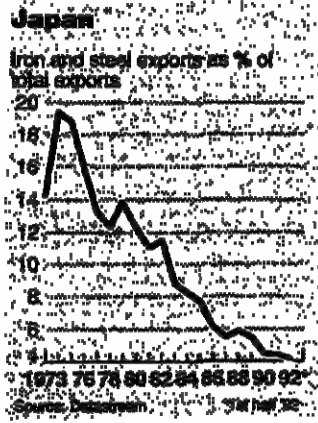
Japanese exports of steel to the US have been falling, and the uncertainty surrounding the anti-dumping petition by US steelmakers last summer has already stalled steel trade negotiations with the US, Japanese industry officials said.

If the preliminary ruling and dumping margins of 15 to 27 per cent are upheld when the US makes its final ruling, Japan could see its steel exports to the US halved.

The Japanese authorities make it clear that they intend to examine whether the US determinations on steel are consistent with the Gatt provisions, the implication being



Saito: 'no dumping'



# Free trade threat irks Seoul

By John Burton in Seoul

THE Korea Iron and Steel Association said the US dumping ruling "destroyed the free steel trade order".

Korean steel exports to the US last year amounted to \$725m (£476.9m), accounting for 13.8 per cent of the country's total steel exports.

The dumping duties on four steel products, including a 30 per cent penalty on Korean hot-rolled steel sheets, would

affect almost two-thirds of its steel exports to the US.

Pohang Iron and Steel (Posco), Korea's biggest steel company, was the most seriously affected by the duties imposed on four Korean companies. Posco mainly provides hot-rolled steel to UPI, a California-based, 50-50 joint venture by the Korean state steel company and USX.

Posco hopes to compensate for the threatened lost exports to the US by increasing

shipments in east Asia.

The other Korean steel companies affected include Dongbu Steel, Dongkuk Steel Mill and Union Steel Manufacturing.

In an attempt to avoid other trade problems with the US, the Korean government said yesterday it would enforce protection of intellectual property rights. The US has complained about lax protection of such rights in Korea, including illegal use of software, trademarks, and copyrights.

# GLASGOW

Every year we spend millions to attract your business.

# NO MEAN

But we invest it wisely.

# CITY



Glasgow is looking to a future full of opportunity, optimism and challenge.

In other words, a future that's great for business. And today, Glasgow's

energy, commitment and determination are bringing that future to life.

Every penny of the millions we invest, every minute of the years of planning and thought,

every handshake with every

world brings it more into focus.

great place to do business right

projects, international communications, more training in new skills. Our investment

has opened up a future full of opportunity for any business with the ambition to

match Glasgow's. Come and see how your future looks in Glasgow, and watch it

come alive. Because Glasgow is different. Glasgow's on the move, Glasgow's Alive.

Contact Stephen Running at the Business Location Service on 041-242 8400.





# Touching nerves on a learning curve

Still, she presents a new target for those on the right who rail against "feminazis," as Mr. Rush Limbaugh, the virulent talk show host, likes to call independent professional women. The reintroduction of her maiden name, which disappeared after her husband had lost his first bid for re-election as governor of Arkansas, has excited more adverse comment from the hyper-critical than the choice of hat she wore for the inaugural walk down Pennsylvania Avenue.

There is also a deep national ambivalence about gay rights, extending far beyond the religious, homophobic right. There are constant battles about whether school textbooks

**Close to the chief:** Hillary Rodham Clinton is in line to be a First Lady of substance

## GAYS IN THE WESTERN MILITARY

No formal discrimination	Moves to liberalise
Australia	New Zealand:
Austria	Leaked Defence Ministry paper last month said
Belgium	armed forces had agreed to drop ban on recruitment
Canada	and employment
Denmark	US:
Finland	Clinton administration has proposed dropping ban
France	Discrimination remains
Germany*	UK:
Netherlands	Criminal offence abolished last June but MoD still
Norway	discharges those it discovers to be gay
Spain	Ireland:
Sweden	All male homosexual acts illegal
Switzerland	

\* Allegedly barred in practice from officer rank  
Source: Stonewall Group

There is also the threat of mischief in Congress, for exam-

lapse back into "gridlock" even before the president's domestic policy agenda is on the table.

Mr Clinton can take some consolation in the knowledge that, either way, he was going to be damned and that to leave his wife under wraps and gays out of the military might not have been the softer options. The learning curve is steep.

## new loader

is the first chairmanship contest for Republicans since 1977. When party holds the White House, the president can select his own chairman. President Bill Clinton did for the first time last week in picking Mr. Wilhelm as chairman.

Republicans, in fact, may be in political shape than their loss of white House would suggest. They more governors and members of less than when they lost presidential elections in 1960 and 1976.

with Mr Ross Perot lurking in wings as an alternative, the new man will have a struggle to ensure tv casts a wide net for voters.

ty casts a wide net for voters.

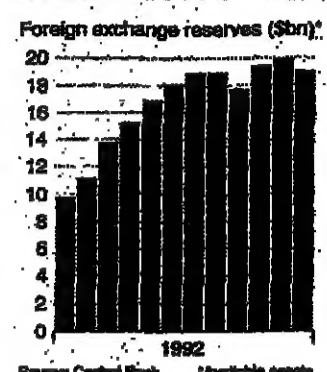
# Brazilians on the road with a long tale to tell

## Stephen Fidler and Christina Lamb on debt doubts

However, some bankers believe that the fund may have reached its limit of tolerance towards Brazil. In the absence of clear economic policy direc-

European bankers had no

## Brazil



The most likely course is that many banks will indicate their choice of options - although the February 22 deadline seems unlikely to be met

The Brazilians have informally indicated they would like the final choice to be split – 40 per cent for “par” bonds, 40 per cent for “discount” bonds, and 20 per cent for the other options, including new loans. Some banks – including Citibank, the largest lender – are said to be considering new loans. Without the right balance, though, the deal may be jeopardised.

It is no surprise, then, that even the deal's most optimistic supporters admit to considerable doubts that it can be closed before its final deadline of July 31.

## Legislators act over port system

Workers' representatives will comprise a third of the port authority and business the remainder.

## Deal on oil seeks to defuse trade tension

**By Stephen Fidler,  
Latin America Editor**

The weakness of Brazil's economy, which showed almost no growth last year,

The details of a proposed accord, which may be the first of its kind to be signed by Brazil, are being examined by the

## Disparate Republicans to pick new leader

**By George Graham in Washington**

Ideology is expected to provide a strong undercurrent at the St. Louis meeting. Many of the 165 Republican national committee members who will

But most of the chairmanship candidates have steered clear of the ideological debate, and have emphasised the "nuts and bolts" job of strengthening the party's grassroots organisation.

Mr John Ashcroft, who has just stepped down after eight years as governor of Missouri, may have the political stature but some Republicans are wary of his ties to the religious right. Mr Bo Callaway of Colorado and Mr Craig Berkman are viewed as outsiders.

The Republicans, in fact, may be in better political shape than their loss of the White House would suggest. They have more governors and members of Congress than when they lost presidential elections in 1960 and 1976.

But, with Mr Ross Perot lurking in the wings as an alternative, the new chairman will have a struggle to ensure his party casts a wide net for voters.

the party casts a wide net for voters.



**Subaru Four Wheel Drive. All weather, all wheel drive grip, all year round. Better Subaru than sorry.**

SUBARU (UK) LIMITED, RYDER STREET, WEST BROMWICH, WEST MIDLANDS B70 0EJ. A SUBSIDIARY OF I.M. GROUP LIMITED. FT20/1


**SUBARU**

THE WORLD'S FAVOURITE FOUR WHEEL DRIVE

هكذا من الشغل



# Major issues writs for libel over magazine stories

By Ralph Atkins in Muscat, Oman and Alison Smith in London

MR JOHN MAJOR yesterday took a rare step for a serving prime minister and issued writs for libel against two UK magazines.

The move, announced by Mr Major's press secretary, came after reports on unsubstantiated allegations about his private life - which Downing Street said were untrue - appeared in this week's New Statesman, a left-wing maga-

zine, and in the January issue of Scallywag, a London satirical monthly.

The statement said: "The prime minister has today instructed solicitors Biddle and Company to issue writs for libel against the New Statesman and Society and against Scallywag." Biddle and Co said last night they had issued a writ seeking damages and an injunction for libel against the distributors of the New Statesman.

Ms Clare Latimer, the woman named in the articles,

has also issued writs for libel against the two magazines and the distributors.

At a press conference in Oman, Mr Major refused to comment on his reasons for taking action, referring only to the statement. "I have nothing further to add to that," he said.

But the decision to make a formal denial and then issue writs via the press secretary, Mr Gus O'Donnell, underlined the seriousness with which the prime minister apparently viewed the threat to his reputation and credibility.

Only three serving prime ministers this century have sued for libel, the most recent being Mr Harold Wilson, now Lord Wilson, in 1963.

At Westminster, MPs of all parties were quick to condemn the magazines, but the impact on possible changes to press regulation is delicately balanced.

The articles would strengthen the government's hand if it wanted to move away from its previous reluctance to pursue the proposal of statutory tribunal to replace

the press complaints commission, as recommended in the recent Calcutt report on press freedom.

It would, however, be awkward to do so after a case in which the prime minister was personally involved.

Mr Steve Platt, editor of the New Statesman and a co-author of the article, said he did not regret publishing and was confident of successfully defending any legal action.

He said that the magazine was putting its trust "in the jury's ability to see the differ-

ence between a smear and honest effort to expose it".

The decision to act was taken by Mr Major early yesterday as he flew into Oman from India. He had been told about the article the night after hosting a dinner for UK and Indian businessmen in Bombay after which he consulted his lawyers.

Downing Street said Mr Major is to pay for the legal actions personally.

It said there was no comparison with the case where the

legal bill for the eviction of an unwelcome tenant from the private home of Mr Norman Lamont was shared between the taxpayer and anonymous Tory donors.

The prime minister went on to meet Sultan Qaboos of Oman at the ruler's fortified royal camp in the desert, about 60 miles from Muscat.

Apparently good-humoured, when a photographer said that the press party were not using telephoto lenses, Mr Major joked: "And I hope there is no bugging."

## US insurer takes space at Lloyd's of London

By Richard Lapper

CIGNA, one of the largest US insurance companies, is to move part of its London operations to the headquarters of Lloyd's of London, underlining the growing links between Lloyd's syndicates and insurance companies.

Cigna is the sixth company to rent space at the market's headquarters in the City in recent weeks. Between 25 and 30 other companies have also expressed interest in taking space in the building.

Cigna is understood to have agreed to take 400 sq ft at a cost of about \$50,000 a year. It will concentrate a team insuring casualty and liability business at Lloyd's.

Mr Alan May, senior vice-president at Cigna, said the Lloyd's building was popular with brokers and the company hoped to win more business by moving to it.

In a separate development Syndicate Underwriting Management, an insurance agency owned by the Corporation of Lloyd's, announced yesterday that it has been appointed to manage the "run-off" - or liquidation - of six syndicates which have gone out of business in the past 18 months.

Four of the six - 387, 411, 1097 and 1152 - were administered by the Secretan agency, which ceased trading at the end of 1991. The other two - 786 and 788 - were formerly managed by the Michael Moss Underwriting Agency. All six were overwhelmed by claims from asbestosis and pollution awards in the US. Syndicate Underwriting Management was set up in 1987 by the corporation, which administers and regulates the Lloyd's market, to take over the management of 74 syndicates formerly managed by the PCW, WMD and Richard Beckett agencies.

Mr Alan Pollard, managing director, said Syndicate Underwriting managed the run-off of 117 syndicates - which have a combined capacity, or capital base, of \$541m. It handles at least a quarter of asbestosis and pollution claims coming into Lloyd's.

## Devaluation hits value of imports

By Emma Tucker, Economics Staff

THE SHARP jump in the visible trade deficit last month reflected the impact of sterling's devaluation on the value of imports.

Import values rose by 3 per cent in December compared with November to a record high of £10.9bn while export values were 0.5 per cent lower at £9.16bn. This left a visible trade deficit of £1.74bn, the largest monthly deficit since July 1990. It compared with a deficit of £1.41bn in November.

The Central Statistical Office said the devaluation of the pound had so far added about 9 per cent to import values.

Excluding oil and erratic items such as aircraft and precious stones - which tend to have a distorting effect on the trade figures - the visible trade deficit deteriorated by £222m on the month to stand at £1.85bn in December.

The trend in export and import volumes was slightly less gloomy. Although import volumes in December reached a record high, and export volumes fell, the three-monthly comparison shows exports rising faster than imports.

In the three months to the end of December export volumes rose by 4 per cent against import volumes which rose by only 0.5 per cent. However, the year on year comparison continues to show imports outstripping exports. Import vol-

umes rose by 7.5 per cent compared with a year ago while export volumes rose by only 5.5 per cent. But with the lower pound yet to benefit export volumes, there is reason to be optimistic about export trends.

"The volume trends look reasonably favourable," said Mr Roger Bootle, chief economist of Greenwell Montagu. "It is right to assume that the devaluation effect has yet to come through."

The volume of consumer durables imports rose by 4 per cent in the last quarter compared with the third, and were 21 per cent higher than a year ago. Imports of intermediate goods - mainly manufacturers' components - rose by 5.5 per cent on the quarter and were 15 per cent higher compared with a year ago. Imports of capital goods were also robust. They rose by 5 per cent on the quarter and by 10 per cent on the year.

The value of goods exported to the European Community rose by 8 per cent in the fourth quarter compared with the previous quarter and were 3 per cent higher than a year ago. Exports to the US were 6.5 per cent higher on the quarter and 20 per cent higher on the year.

The weak dollar was probably the main factor behind a 18 per cent increase in the value of imports from the US in the latest quarter. Imports from the EC rose by 3 per cent.

Lex, Page 14

## US tax bills may alert UK Revenue

By Andrew Jack

THE Inland Revenue is targeting UK companies with subsidiaries which are paying high US tax bills, a leading tax practitioner alleged yesterday.

Mr Terry Symons, a partner with accountants Price Waterhouse, said Revenue officials appeared to be investigating multinationals with large US tax bills to see if they should be paying more in Britain.

His concerns follow discussions with the Revenue about a client under investigation. He said he was told by senior officials this was part of a wider effort to collect tax.

His statement comes in the week President Bill Clinton reiterated his intention to clamp down on foreign corporations which he claims pay less tax than US rivals.

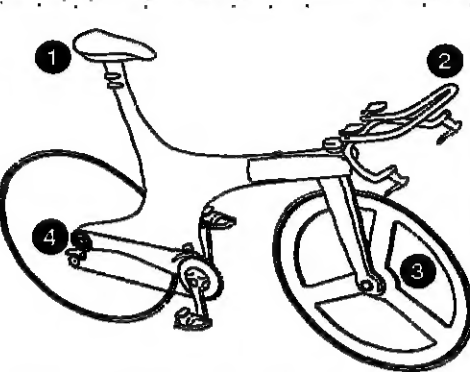
A 1991 analysis - the most recent available - by the US Internal Revenue Service, showed UK companies paid substantially more tax than many other foreign and US companies.

US-owned companies paid a total of \$94bn in 1988, amounting to 1.1 per cent of receipts and 0.6 per cent of assets.

For UK-owned companies, the proportions were 1.3 per cent and 0.6 per cent. The proportions were much lower for Japanese, German and Dutch companies.

The Inland Revenue yesterday declined to discuss its tax investigation tactics.

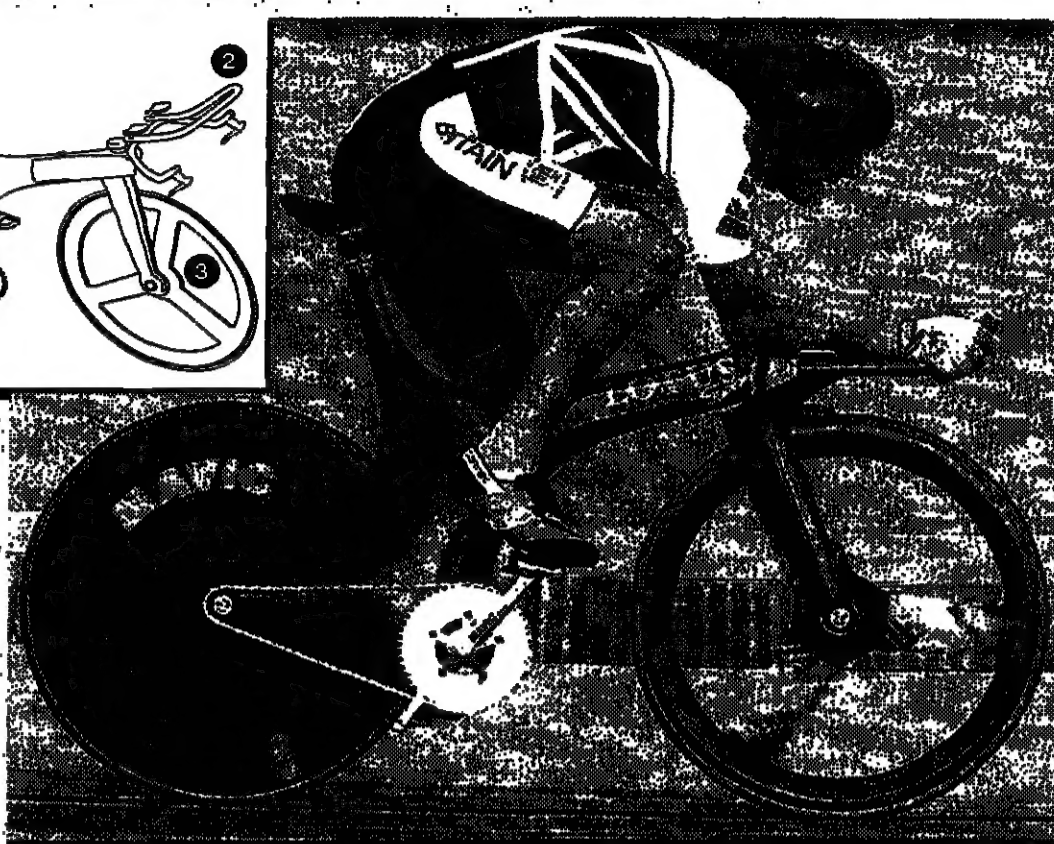
## The Boardman bike: from the stadium to the production line



Inset: Lotus sketch of possible road version of the Olympic pursuit bike with modifications

- 1 Adjustable saddle
- 2 Conventional handlebars
- 3 Brakes in hubs
- 4 Chain

Pictured: Gold medalist Chris Boardman who won the 4,000 metres in Barcelona



## Olympic engineering reaches the bicycle shed

CASKEIT, the Leeds-based bicycles and clothing group, is to make bicycles under licence using design elements of the Lotus Engineering cycle on which Chris Boardman won the 4,000m pursuit Olympic gold medal last year, writes John Griffiths.

Caskeit, which claims more than 20 per cent of the UK cycle market through its British Eagle, Claud Butler, Falcon and Townsend brands, will make and distrib-

ute the cycles under the LotusSport brand through its British Eagle subsidiary.

The licensing agreement is with Lotus Engineering, the consultancy arm of Group Lotus, the sports carmaker owned by General Motors of the US. It is unclear how closely the cycles will resemble the machine used by Boardman at the Barcelona Olympics last year, but they are expected to offer a more traditional riding

position while incorporating the basic concept of a one-piece, moulded, monocoque frame.

The machines, expected to be launched in the UK in March, will sell for between £500 and £1,100, said Mr Ian Butcher, Caskeit finance director. The original design was by engineer Mr Michael Burrows, who spent several years trying to interest cycle makers.

**GUINNESS FLIGHT**  
GLOBAL ASSET MANAGEMENT LIMITED

**UNIT TRUST OPERATIONS DIRECTOR**

Guinness Flight is an expanding investment management company with a wide ranging product base. We are currently seeking to recruit an Operations Director (designate) for our rapidly growing UK unit trust/PEP subsidiaries where funds have grown from nothing to £100m+ in less than 3 years.

The ideal candidate will have relevant administrative management experience in the financial services sector.

Please reply in writing with full CV to: Veronica Burwood, Personnel Director, Guinness Flight Global Asset Management Limited, 32 St Mary at Hill, London EC3P 3AJ.

**USA-BRAZIL-EUROPE**

MBA in Int'l Business. Managerial experience in Int'l Field & US Government. Languages: English, Portuguese, Italian, French & Spanish. Citizen: Brazil & England. US resident. Seeking position with respect to skills and experience.

Write to: Argento, 25 Chisenden Ave., Apt. 2A, New York, NY 10033

**DEALER-MARKET MAKER**

For newly formed Investment House in London. International trading experience essential. Send detailed C.V. to Purvis & Co. (Consultants) by FAX 0334 777541

**CONTROLLER-GERMAN BASE** Develop European acq. systems. Resp. for Accounting, Treasury, EDP, Exp. in multinational mfg. companies. Multilingual. Base salary to \$125K. C.V. to 15640 Ventura Blvd., 8638, Encino, CA 91436. USA & FAX 818 561 6505.

**Cash Management Sales**

**Pan European Role** **US Institution**

Our client is one of the leading American Cash Management institutions. A highly competitive and customer-driven global banking organisation, it is committed to finding solutions to meet customers' needs, however complex, with unprecedented consistency in both the quality and range of their products and the highest levels of service. With a customer list that is the envy of their competitors, the Cash Management group is looking for two additional sales people to intensify and extend its relationships with existing clients whilst adding new ones.

**Public Sector** **Corporates**

We are looking for a senior banker to develop this new initiative, marketing to European public sector entities. The client base will include government agencies and some of the state run institutions and we are, therefore, looking to recruit someone with a proven track record in this sector. Cash management experience would be an advantage, but is not essential. Candidates should have at least 15 years banking experience and they will need to be fluent in at least two European languages in addition to English.

For both roles the successful candidates will be excellent communicators who are both sales driven and have a proven record of maintaining key relationship contacts. There will be extensive travel and we are, therefore, looking for individuals with maturity and breadth of vision to develop the business. This is an exceptional opportunity to work with a market leader in an attractive environment, where you could enjoy long term career enhancement and a generous performance orientated remuneration package.

Interested applicants should contact Ann Semple or Tim Smith on 071 831 2000 or write to them enclosing full career and salary details, to Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH.

**Michael Page City**  
International Recruitment Consultants  
London Paris Amsterdam Brussels Düsseldorf Sydney

**RIYAD BANK**  
**SAUDI ARABIA**

Riyad Bank, Haramony's leading Middle Eastern Bank in foreign exchange activity in 1990 and 1991 is seeking to fill the following positions in its Treasury Division, based at its Head Office in Riyadh, to support its continuous growth.

Riyadh is a rapidly developing city, with modern hotels, superb shopping centres, a variety of sports and recreational facilities, including a new Golf course. Housing compounds are fully equipped with swimming pools, satellite T.V. and other recreational activities.

**FOREIGN EXCHANGE DEALER**

**Job Requirements:**

- Minimum 5 years experience in an active market environment.
- Full understanding of the Foreign Exchange markets.
- Visible track record with good financial institutions.
- Self-motivated, mature and competitive.

The vacancy is created by the Bank's increasing Foreign Exchange turnover. The successful candidate would reinforce a strong and expanding team in the Treasury Division.

**CORPORATE DEALER**

**Job Requirements:**

- Minimum 4-6 years of relevant experience, preferably with a major International Institution.
- Solid knowledge and marketing background in various dealing room financial products including FX, Deposits, Bonds, FX Swaps, FX Options, Interest Rate Swaps and Options.
- Self-motivated, mature and competitive.

The successful candidate will work with a team of several other Corporate Dealers in an effort to expand our corporate business and market more sophisticated financial products directly to the Bank's corporate customers.

Fully competitive compensation packages will be offered to the right candidates for the above positions.

Please fax your application with C.V. and details of current salary to fax: 9661 405-7353, Recruitment Department, Riyadh Bank, Riyadh.

ALL PREVIOUS APPLICANTS ARE ADVISED TO RE-APPLY BY FAX

**SALES DIRECTOR**  
**CLOSEOUTS AND EXCESS INVENTORIES**

Leading Global company seeks self starter Sales Director mandatory 5 years plus experience selling a wide range of closeout and excess inventories. Paris based. French and English fluency necessary. Other European languages a plus. Must have experience selling to prominent closeout retailers and European wholesalers and multi-store closeout retailers. Compensation commensurate with experience.

Interviews will be conducted in Paris during the week of February 15th 1993. Send Resume to: Moore Delcher, Atwood Richards Inc., 99 Park Avenue New York NY, 10016 USA Fax: 212 949 8040. Inquiries treated in confidence. Resumes only.

**PARTNER** **SALES AND MARKETING INTERNATIONAL RECRUITMENT**

Chance Jarosz is a small consultancy with a highly innovative approach to international management recruitment and an up to date 14,000 strong database covering 37 countries. We focus on alumni from the top business schools in Europe and have special relationships with INSEAD and London Business School in particular. We are now seeking a third partner to sell recruitment search and research capability to British and European companies and executive search firms.

We should emphasise that this is not a salaried position, but a chance to join a new venture as it moves into profit after a two year development phase. The ideal person will have experience of selling consultancy services in the recruitment field at a senior level.

Please reply in confidence with a full CV to Michael Jarosz, Chance Jarosz, 54 Artillery Lane, London E1 7LS.

**SELIGMANN, HARRIS & CO**  
Members of the S.F.A., L.S.E. & LIFFE

We would like to meet one or two highly motivated individuals with extensive practical experience within the securities industry, in either sales, research, trading, portfolio management, or corporate finance to discuss joining our small team.

We are an active small self-clearing firm with a particular emphasis on arbitrage trading including convertibles and derivatives, as well as distressed security analysis of companies with debt and prior charge capital.

Please write with brief career details to 20, ST. SWITHINS LANE, LONDON EC4N 8AD or phone: ROY CUTTS or ROBERT HARRIS on 071-220-7720.

**Investment Management**  
**Sterling Money Markets**

Our client is the international arm of one of the UK's most prestigious financial groups. They seek to appoint an experienced individual to complement the Liquidity Management team. The focus will be on the sterling money markets.

Working directly with the team Director, the individual will be responsible for:

- Management of client portfolios
- Providing investment reports to clients
- Meetings with clients
- Supervision of staff

It is essential that candidates have the following skills:

- An in-depth understanding of, and experience in, the sterling money markets
- Knowledge of international money and bond markets
- The ability to make independent investment decisions
- Proven supervisory skills

This position offers an excellent opportunity for an individual looking to develop their skills in a specialist area with an experienced team and for a wide range of clients. Remuneration will be commensurate with knowledge and experience.

Interested applicants should contact Kay Ovenden or Paul Wilson on 071 831 2000, or write to them enclosing a full curriculum vitae to Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH.

**Michael Page City**  
International Recruitment Consultants  
London Paris Amsterdam Brussels Düsseldorf Sydney

**APPOINTMENTS ADVERTISING**

appears every Wednesday & Thursday & Friday (International edition only)

For further information please call:

Tricia Strong on 071 873 3199

Mark Hall-Smith on 071 873 3607

Andrew Skrzynecki on 071 873 3460

JoAnn Grudell in New York on 212 752 4500



# SNCF hints it may sue over UK rail plans

By Richard Tomkins,  
Transport Correspondent

SNCF, the French state-owned railway, has hinted it will sue the British government if rail privatisation plans hit cross-Channel rail freight.

It says the introduction of track charges could drive rail freight on to the roads and cause cross-Channel traffic levels to fall short of those envisaged in agreements between SNCF and British Rail.

The criticism of the government's plans are contained in SNCF evidence to the House of Commons transport select committee.

Mr Alain Poinssot, the company's freight director, says SNCF and BR have a contract with Eurotunnel which commits them to buying capacity for cross-Channel trains on the basis of traffic forecasts made in 1988.

He says creation of a body charging train operators to use its tracks will be "discriminatory" because road hauliers face no such charge.

That would make competition between road and rail impossible, Mr Poinssot said. "In fact, such a policy would preclude the achievement of virtually any of the traffic

goals which formed the basis for calculating the financial commitments of the two national rail companies via a vis Eurotunnel."

SNCF's criticisms came as the government attempted to limit the damage caused by the leak of an internal document raising doubts about the future of cheap fares and other passenger benefits after privatisation.

The draft submission to ministers, headed "policy in confidence" and dated January 7 1993, suggests:

● Railcards offering network-wide fare discounts are unlikely to survive under the new regime because they are not significant money-spinners. ● Tickets for one company's train are unlikely to be valid on another's except as a more expensive option "because it runs contrary to commercial interests and trends towards market segmentation."

● Operators should be left to decide what timetables to publish, and in what form.

The combination of SNCF's criticisms and the departmental leak are likely to add heat to the parliamentary debate when the Railways Bill gets its second reading in Parliament on Tuesday.

## Export body shows first surplus in seven years

By David Dodwell,  
World Trade Editor

THE Export Credits Guarantee Department yesterday revealed its first trading surplus for seven years as a steep fall in provisions transformed a \$754m deficit in 1990-91 into a surplus of \$340m in the 12 months to March 31 last year.

Mr Brian Willett, ECGD's chief executive, expects claims to fall. For the first time since the onset of the debt crisis almost a decade ago, the ECGD would become a net contributor to the Treasury "in three to four years," he said.

Such a turnaround would be seen by the Treasury as a vindication of the sweeping reform in risk assessment methods almost two years ago, although some exporters complain the reforms have led to expensive British export credit premium rates.

The ECGD also revealed yesterday that it is close to concluding deals selling Tanzanian and Nigerian debts amounting to \$30m as part of a new strategy to use debt sales to reduce liabilities. The debts of up to 30 countries are involved.

The \$1.1bn swing in provisions which swept the ECGD into surplus resulted in the cumulative deficit being trimmed from \$4.62bn to \$4.28bn. Premium income remained static at \$159m, while payment of claims fell slightly from \$968m to \$964m.

The trading accounts were greatly complicated by two factors: first, they included eight months of operations of the ECGD's former short-term credit arm, which was sold to NCM, the Dutch export credit insurer, at the end of 1991; second, they included an effort by ECGD to separate liabilities predating the introduction in May 1991 of the Portfolio Management System of assessing credit risk from those liabilities taken on since PMS was brought into force.

This move allows the ECGD to segregate the high liabilities pre-dating April 1991 which led to special provisions of \$3.8bn in 1990.

# Subsidies could undermine coal imports

The recent growth in UK coal imports will be rapidly reversed if the government adopts proposals recommended by the House of Commons trade and industry select committee.

Among its recommendations, including moves to make imported French electricity less competitive, the committee of MPs is expected to call for the introduction of a state subsidy for British-mined coal, making it more price attractive to industrial customers.

The committee also wants the government to create an extra market of 19m tonnes for domestic deep-mined coal in the year starting April 1993. This would be achieved mainly by postponing liberalisation of the electricity market, enabling power companies to commit more long-term contracts to UK coal.

At least 16m tonnes of this extra output would be substituted

## Michael Smith examines controversy over calls to help British Coal compete against overseas rivals

disposed for five years to enable British Coal (BC) to sell it at world market prices. The estimated cost for the first year is £120m.

Now the power generators, who until October were preparing for further strong import growth, have already begun to tell overseas suppliers to expect demand cutbacks and are not renewing contracts.

The likelihood is that import facilities which National Power and PowerGen have built up in the last two years at a cost of more than £150m will, in the near future at least, be significantly under-used.

None the less cutting imports is by no means a simple option for the government. Last year the UK imported about 30m tonnes of coal but

not all of it could be replaced by domestic production.

About 8m, brought in by British Steel, is coking coal of a type not available in Britain; other large companies also import directly and would want to keep a toe in the international market. That leaves a shortfall of 8m to 10m tonnes which could be filled by UK-mined coal.

British Coal's chances, however, of attracting more industrial customers are hindered by the quality of its product. One company claims coal imported from Colombia contains half the sulphur found in most British coal; and this at a time when the UK needs to reduce sulphur emissions to meet European Community targets.

But the main problem is price. The UK suffers because years of extraction means most coal near the surface has already been mined. Cheaper, opencast mines are plentiful in countries such as Colombia, the US and Australia, helping them export coal for between £1 and £1.20 a gigajoule.

In preliminary contracts with the power generators - drawn up before last October's pit closures announcement - BC said it would charge £1.51 for the 40m tonnes envisaged in the year from April. That would fall to £1.33 by the end of the five-year contracts.

Most analysts expect production costs to fall considerably by then.

Import prices, although currently falling, are expected to

rise over the next five years - partly because of an increase in shipping and insurance rates. The US is also likely to retain more of the low sulphur coal which it currently exports.

All this means UK coal could compete in its home market against imported rivals by the mid to late 1990s. The problem is what to do before then.

The select committee has decided that the best answer is to provide a subsidy, some of it to replace imports. The money would come either from the taxpayer or from a diversion of funds earmarked for the nuclear levy - a government subsidy designed to cover the costs of decommissioning nuclear-powered stations.

The idea still faces opposition from the Cabinet and may yet be challenged by countries on the grounds that it is protectionism. But as other options narrow, some financial support is increasingly likely.

## Britain in brief



### Ford export trade static at £2.2bn

Ford, the US carmaker, exported vehicles and components from its UK operations worth about £2.2bn last year, a total virtually unchanged from 1991.

Ford said that it was one of the top five exporters from the UK in 1992. It shipped abroad 159,000 vehicles from its Dagenham, Halewood and Southampton assembly plants, and 770,000 engines from its Bridgend and Dagenham engine plants, as well as a wide range of components.

### North Sea oil output rises

The UK's oil output from the North Sea rose by 2 per cent to 1.89m barrels a day last year, its highest since 1989, accord-

ing to the Royal Bank of Scotland's oil index. But the weakness of the oil price meant that revenues, at £8bn, were at their lowest in real terms since 1986.

### Fall in venture capital funds

Funds raised by independent UK venture capital companies fell further last year to just £300m, fuelling fears that there will be a shortage of money to invest in the late 1990s. Last year's fall, from the £368m raised in 1991, is the third in a row since the peak in 1989, according to the British Venture Capital Association.

### Beer production declines

A 12.4 per cent fall in beer production during October has now brought renewed demands from the Brewers' Society for a reduction in beer duty.

After adjustments for imports and exports, production for the month was 3.19m barrels. Production for year ending October dropped by 1.32m barrels to 36.32m barrels, down 3.5 per cent from the previous year. The society says



Tower Bridge in London is to close in mid-April for at least three months to repair extensive corrosion. Work on the 99-year-old bridge will cost around £250,000. It is the sixth London bridge to have closed this year. Battersea Bridge is closed and Hammer-smith Bridge has lane closures. Substantial work is also needed on Westminster, Waterloo and Lambeth bridges and minor repairs required to London and Albert bridges.

more than 500,000 barrels of duty-paid beer was imported into Britain last year.

### Coal orders announced

British Alcan, the aluminium smelter based north-east England - which is British Coal's largest manufacturing customer - has renewed sup-

ply arrangements under which it takes 1.2m tonnes of coal a year from Ellington colliery, Northumberland.

British Coal, which sells about 6m tonnes a year into the industrial market, has also announced further orders worth a total of £40m from industrial companies for almost 1m tonnes of deep-mined and opencast coal.

The deals include an order for 500,000 tonnes from the

Fife-based papermaker Tullis Russell, a new customer. British Coal has also won a new contract from Scottish Power for 200,000 tonnes.

### Designers claim damages

In a private preliminary hearing at the High Court in London yesterday, the Italian fashion house Giorgio Armani was alleged to have infringed the copyright of two young London fashion designers, who are seeking damages in the region of £300,000.

Mr Antoni Burakowski and Ms Alison Roberts (trading under the label Antoni & Allison) initiated their action against Armani last October, when they spotted a T-shirt selling under the Armani label. The Armani-label T-shirt carried a design which, it is claimed, is indistinguishable from one designed and marketed by Antoni & Allison.

### Four hurt in bomb blast

A bomb exploded outside Harrods Knightsbridge store in London yesterday morning. Four people were slightly injured by flying glass.

IT'S EASIER TO ENJOY THE ROAD AHEAD  
WHEN YOU FEEL COMFORTABLE  
ABOUT WHAT YOU'RE LEAVING BEHIND.



At BMW we believe driving is to be enjoyed. And that you'll enjoy a car more when you're at ease with the impact it's having on the world outside.

That's why for over twenty years we've engineered our cars with advanced computer electronics which continuously monitor engine

performance in a way that reduces fuel consumption and emissions.

And why we not only dampen sound caused by incoming air and outgoing exhaust, but also build our engines with special vibration absorbing components to ensure that a BMW leaves only a minimum of noise in its path.

It's also the reason why we're now constructing our cars with more and more recyclable and non-polluting materials.

Because we believe the better you feel about what your BMW is leaving behind, the more you'll have to look forward to.



THE ULTIMATE DRIVING MACHINE.

هكس من الشغل

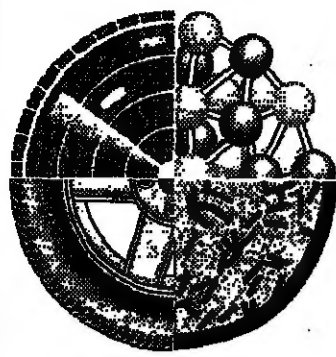






## TECHNOLOGY

## Worth Watching - Della Bradshaw



## Toshiba pushes a pen-based micro

Notebook computer specialist Toshiba has given the seal of approval to pen-based computing with the launch, initially in the US, of a hand-held computer operated by a cordless stylus pen. The machine, which weighs just over 3lbs including the battery, can run for up to three hours on one charge. The T100X has a choice of operating systems: Go's Penpoint or Microsoft's MS-Dos for Pen Computing. Toshiba's latest laptops, the T4500 and T4500C, have clip-on Ballpoint Mouse units and a liquid crystal display telling the user information such as how many minutes of battery life remain. Toshiba: Japan, 03 3457 4511; UK, 0932 841600.

## Striking the right note

Colour photocopyers have worried the police for years because of their potential for copying bank notes. So the Japanese manufacturer Omron has developed a bank note recognition system that can be incorporated into photocopyers.

The device can detect attempts to copy notes from 23 countries. It uses fuzzy logic, a computing technique which enables the input data to be compared with that stored in memory 10 times more quickly than with conventional technology. Omron: Japan, 03 3436 7138.

## Stained glass window dressing

Stained glass windows suffer from pollution just as much as masonry. But to prevent further deterioration restorers have to isolate the cause of the corrosion and the potential damage. This is where scientists from

the Fraunhofer Silicate Research Institute in Würzburg, Germany, have stepped in. One of them, Dieter Fuchs, has developed a type of glass that corrodes much faster than normal. By placing pieces of it, each just a few centimetres square, on the surface of the windows, the mini-sensors show what could happen to the glass in the future.

Corrosion measurements are taken using infra-red light to enable restorers to calculate the best way of treating the stained glass. Fraunhofer Silicate Research Institute: Germany, 931 4149 0962.

## A flash for sore eyes

Stewart Spinks, manager of a Norwich photographic store, got so upset about the number of customers complaining that their compact cameras caused "red eyes" that he decided to do something about it.

His solution is a clip-on flash unit in which the flash bulb is far enough from the lens to prevent the problem - caused by light bouncing off the back of the subject's retina. The Spinks unit, which is to be manufactured and distributed by Jessop of Leicester, clips on to the camera case and a cover fits over the camera's integral flash unit. A photo-electric cell in the cover senses when the integral flash goes off and then triggers the attached flash unit. Jessop: UK, 0533 320033.

## Nintendo issues health warning

Nintendo, the unparalleled king of the video games market, has been forced to admit what many beleaguered parents of young games fanatics had suspected for a long time: that excessive playing of these electronic toys can be hazardous to your health. But this is only if you have a rare kind of epilepsy, writes Michio Nakamoto.

The warnings also say that in some rare cases people may momentarily suffer convulsions or lose consciousness when they see flashing lights or images on the screen. The decision to attach the warning was prompted by recent publicity in the UK and Japan which suggested that video game playing could trigger epileptic fits.

A British invention may bring accurate machining to a much broader market, writes Richard Gourlay

## Cutting the cost of precision

What does a compulsive inventor do once he has turned an invention into a commercial success? One answer is to turn his attention to the manufacturing process that makes his product.

This is exactly what David McMurtry is doing at Renishaw, the metrology company that grew from his invention of touch trigger measuring probes and is now one of the UK's few high-technology manufacturing success stories.

At its factory outside Stroud, Gloucestershire, Renishaw has reduced considerably the length of time it takes to machine the components that make up its probes.

The company has done this by cutting sharply the cost of continuous, unmanned manufacturing. It says it has slashed the time it takes to set up machine tools to perform multiple engineering functions - thereby providing hope for an escape from long machine runs which often lead to large amounts of work-in-progress.

It is early days. So far, the company has applied the technology it calls the Renishaw Automated Milling Turning and Inspection Centre (Ramtic) only within its own factory. But Renishaw could be about to do for machine shops what Alan Sugar, in his heyday, did for consumer electronics - bring low-cost precision engineering within the grasp of a much broader market.

"We are bringing high-tolerance production to the average shop floor," says Ben Taylor, Renishaw's assistant chief executive. What Taylor is aiming for is a flexible manufacturing system at a fraction of the cost of a conventional set-up. FMS units - or cells - are designed to perform a number of machining functions that are numerically controlled by computer instructions. But a bank of FMS cells can cost more than £1m.

Renishaw's approach was to take a standard vertical machining centre - the most easily available system, that might cost about £100,000 - and modify it.

These machines are not inherently highly accurate because they twist, expand and bend during a machining cycle.

Renishaw, however, achieves what Taylor calls the "final level of precision" by placing next to the raw material that is to be machined a model of the component. Before the machine is set up, this "artefact" has been checked in a co-ordinate measuring machine and its dimensions are known to a high degree of accuracy.

While simple vertical machining centres are not highly accurate over long cycles, Renishaw has shown that they do not change shape over short spans of time.

Using indexable measuring probes, the machine tool is able to make an immediate comparison

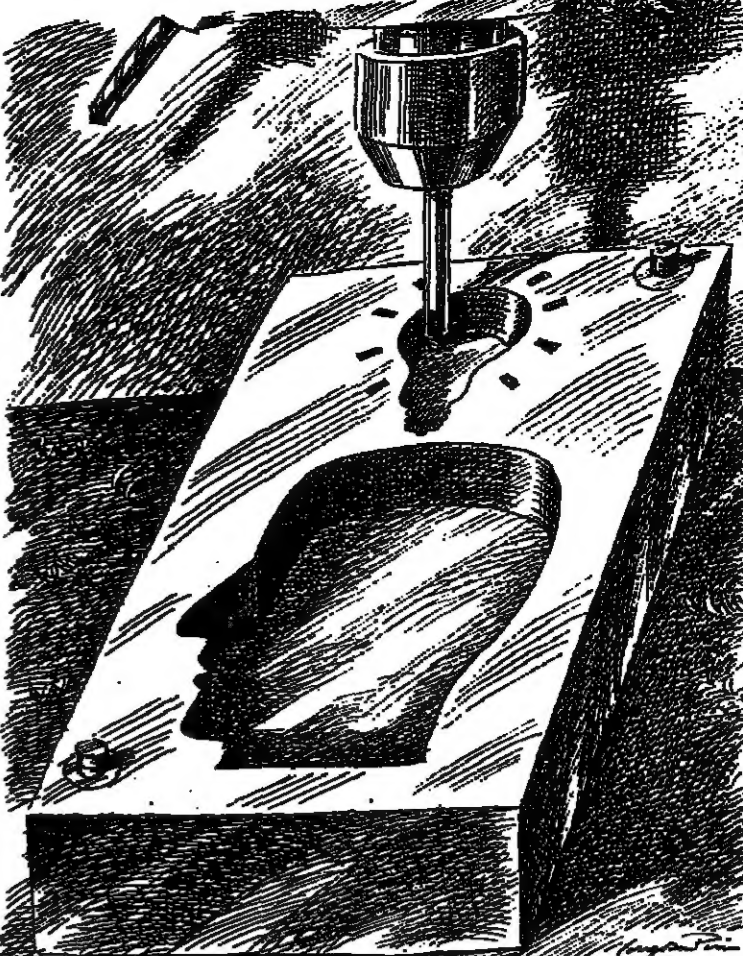
between the machined part and the artefact. The exact position of the tool relative to the machined part is fed to the computer which modifies its instructions to the machine tool, if necessary. "We have removed the uncertainty of measuring on a machine tool," says Taylor.

The system has other benefits. It is capable of continuous verification and recording of the process without interrupting the manufacturing process. With many FMS cells, a machined part would have to be removed to verify that it had been made within acceptable tolerances.

The most striking improvements have been to cut set-up times, making it more economical to run smaller batches. While it might take three to six hours to set up a milling centre, with the Ramtic there is no set-up time, after the artefacts that carry the tools are fitted up. Renishaw's early experience in cutting production cycle times is equally impressive. This is up to three times faster partly because Ramtic's tools are changed less often than an FMS.

Taylor says that as a result, Renishaw should be able to do without the stock room. Batches of components for its own probe products would be made to order "like a short-order cook". "Our plan is just-in-time production," he says.

Ward of Renishaw's work on its manufacturing productivity has had a mixed but limited reception. Japa-



nese and American companies have beaten a path to Renishaw's door after the company introduced the technique at Birmingham Mach'92, the industry trade fair. And engineers from the US Department of Defence's weapons complex at Los Alamos have shown great interest in Ramtic's ability to monitor precision engineering.

Some manufacturers of FMS systems have yet to be convinced that Renishaw is really bringing a new technology to bear. They also wonder whether the system might only be relevant for manufacturers

who would like to have short manufacturing runs.

By the summer, Renishaw may be able to answer the sceptics. It hopes to have put a ring of patent protection around its use of artefact comparison and is considering whether it will then sell or license the Ramtic hardware and software.

If Renishaw has made a breakthrough in the cost of precision, the ripple could spread rapidly through the engineering industry. Renishaw would also have another market - the Ramtic process relies on a number of its products.

## Share prices wherever you go

For the busy and mobile investor or fund manager who feels anxious and deprived without instant access to financial news and prices, a new portable device the size of a video cassette is being brought on to the market.

Called Financial Alert, it uses a radio tuner to provide UK and foreign share prices and news updates. It can track highs and lows and pre-set investment limits with an in-built alarm system.

As yet, the device - consisting of a keyboard and small screen oper-

ated by a rechargeable battery, all in a black leather folder - is only available in the Netherlands where it was introduced about a year ago. The UK launch is on February 10, with plans to introduce it later in Sweden, Switzerland and the US.

Rob Schram, managing director of Alert Network, the UK distributor of Financial Alert, hopes to have up to 1,000 in use in the UK in a year's time. He calls it "a very powerful way of staying up with the market". It monitors prices of the FT-SE 100 shares plus 800 other UK stocks and

those of 100 continental European companies. It also carries foreign exchange rates, international indices and data on futures contracts and gilts.

The screen has room for eight prices at a time, with a bleeper which can be set to sound when any desired type of information comes up. Investors can select their own information to put on special pages. All stored data can be downloaded to a hard disc or printed. Financial Alert, which has components (such

as a microprocessor, highly sensitive radio tuning device and liquid crystal display) from the Far East and Dutch-developed software, will appeal to institutions, private investors and corporate investment staff - in fact, anyone likely to need information while away from their base and who will feel distinctly uncomfortable without it. The cost is £180 a month with a connection fee of £50; there is a refundable deposit of £350.

Andrew Fisher

## OBITUARY

## Lord Poole: key roles in finance and politics

LORD POOLE, who died yesterday at the age of 82, straddled the worlds of finance and politics. He played a key role in the organisation of the Conservative Party during the 1950s and 1960s. At the same time, as the closest adviser to Lord Cowdrey, he was deeply involved in directing the affairs of what was, until publicly floated, one of the largest privately-owned business empires in the country, the S Pearson group. As chairman of Lazard's, he was for many years a central figure in the City.

Oliver Poole was born on August 11 1911 and was educated at Eton and Christ Church, Oxford. Shortly before the outbreak of war he joined his family business - Lloyd's insurance broking. During the war he served with the Eighth Army in North Africa, where he helped to plan the landings on Sicily and later did the same with the 21st Army Group for the D-Day landings. He was mentioned three times in dispatches and was awarded many decorations.

His organisational skills drew him to the attention of the Tory Party. Towards the end of the war, Conservative Central Office asked him to stand as a candidate and he entered the Commons in 1945 as Member for Oswestry. But he did not find the life of an MP congenial and quickly decided not to stand at the next election.

His subsequent backstage role was crucial to the party. Poole had already had a hand in the pamphlet *The Right Road for Britain*, which became the basis of the 1950 election manifesto. In May 1950 he became political head of the Conservative Political Centre in succession to R A "Rab" Butler. His interest in business advanced simultaneously: shortly before leaving the Commons in 1950, he was asked by Lord Cowdrey to join him in running S Pearson and Son.

At that time, the S Pearson group faced the problem of adjusting to some drastic changes which had recently affected its interests. The main aviation activities had been nationalised, as had been the coal mines and the electric

utilities. What was left was an assortment of businesses, most of them sound and profitable, but needing to be co-ordinated on a more rational basis. Poole helped to formulate a new strategy for the company, concentrating on four main lines of development - banking and finance, publishing, the industrial group centred on Doulton, and oil. His main personal interest lay on the banking side, and he was particularly concerned to develop close co-operation between the three Lazard companies in London, Paris and New York.

Poole also took an active interest in other parts of the group. He played a central role in S Pearson's decision to acquire the Financial Times in 1967 and he became chairman of the paper in October 1968 on the death of Viscount Bracken. He held the post until the end of 1980, when he was succeeded by Lord Robbins.

He continued to be very much an international figure and in 1972 became a member of the main Fiat Board. Politics, however, had remained an important part of his life. In 1952 he was appointed joint treasurer of the Conservative Party.

Poole succeeded Lord Woolton as party chairman in 1965, a post perfectly suited to his taste for working in the background. Poole was created a baron in 1958 and a Privy Counsellor in 1963.

In 1957 the job of chairman was divided, functionally, between Poole and Lord Hailsham. "Leaving the limelight to others," Mr Michael Foot wrote later, "Lord Poole created the most efficient machine which has ever contested an election in this country. He knew more about the details in every marginal constituency than had ever been assembled at a Party headquarters before."

At the end of that period Poole returned to the City, but in 1983 he was suddenly recalled by Mr Harold Macmillan to serve as joint chairman with Mr Iain Macleod in the aftermath of the Profumo scandal. He was known to his closest friends for his great kindness and generosity to those of other political persuasions.

## Taking off from Manchester



One of the best jobs in the air transport business has become vacant as Gil Thompson, chief executive of Manchester Airport, yesterday told his board he wants to retire. His contract comes up for renewal in March, when he will be 63.

Thompson, a former British Airways general manager for northern England, has had 13 remarkable years at Manchester, presiding over an increase in passengers from 4m to 12.4m a year, making it Europe's fastest growing airport.

■ Bill Caskey, formerly vice-president sales, food service in the US, has been appointed retail sales and marketing director for CAMPBELL FROZEN FOODS.

■ Kevin Wilson has been appointed group md of WAGON INDUSTRIAL HOLDINGS; Mel Bailey has been appointed md of the material handling and storage division; Bill Ball is appointed md of the automotive products division; and Neil Hannah as md of Wagon Storage Systems. Don Poyner will become a non-executive director as from the end of March.

■ Jonathan Smith has been promoted to the main board of KWIK SAVE GROUP.

■ Mike Elms, formerly md of Olivry & Mather, has been appointed chief executive of CIA UK HOLDINGS, and a director of the CIA GROUP.

■ Paul Russell, chairman of SONY Music Entertainment UK, has been appointed president of Europe Sony Music Entertainment; he is succeeded by Paul Burger, president of Sony Music Canada.

■ Richard Medus, md of Meridian, part of Saatchi & Saatchi,

has been appointed MILLS & ALLEN's agency and client sales manager.

■ Michael Neame, formerly marketing director of KDG Mobrey, has been appointed md of PERK Measurement.

■ Miguel Recobar, president and director general of Prosema Organización de Ferias, acquired by BLENHEIM GROUP, and Michael Fletcher, md of Blenheim's UK operations, have been appointed to Blenheim's board.

■ John Goldring has been promoted to technical director of Tooling Products, part of WEIR GROUP.

■ Hew Stevenson, chief executive of Westminster Press, part of PEARSON, is also to become chairman when the Duke of Atholl retires in June.

■ Richard Gibbons has been appointed development director of London Adshel for MORE O'FERRALL ADShel; he moves from JC Decaux.

■ Alan Williams, formerly deputy md of Hays Storage Services, has been appointed md of Rentacore, also part of HAYS in succession to George Sutherland who is moving within the group.

## PEOPLE

## Under-utilised at Sears

John Lovering, who moved from the post of finance director at Sears to become managing director of corporate development and international operations last June, has now resigned to pursue other career opportunities.

At the time, when 43-year-old Lovering was replaced as finance director by Stephen Park from Hanson, in a move that chairman Geoffrey Maitland Smith now calls "largely his [Lovering's] choice", he had said he wanted to take on a more operational job having been in the finance seat for four years. But Sears insiders acknowledge he had also regarded himself as a candidate for the chief executive's seat, which was taken by former BA marketing director Liam Strong a year ago.

"He felt his talents were not

being utilised," says Maitland Smith who explains that there has been a change of strategy, which involves concentrating fully on the UK and putting continental Europe "not exactly on the back burner" but demoting it to part of the "medium-term strategy". Lovering will not be directly replaced.

As finance director, he had been closely involved in setting up the joint venture between Sears' interests in the Netherlands with the German and of Groupe André, the French retailer. "He loved travelling, visiting the outposts and motivating people," says Maitland Smith, who adds that, with the slowdown in European consumer demand in addition to Sears' setting new domestic priorities, "he found he was not doing very much."



INCHCAPE, the motor and business services group, has appointed its first non-executive directors since Sir David Plastow took over as chairman in September.

They are (left) Tony Alexander, 54, chief operating officer of Hanson, and (right) Liam Strong, 48, chief executive of Sears. Alexander joined Hanson as company secretary in 1971 and went to the board five years later. He is also a non-executive director of Shanks & McEwan.

Strong joined Sears from

British Airways in 1991 and was appointed chief executive last February.

The leadership of Inchcape has changed markedly since ill-health caused the early retirement at the end of 1991 of Sir George Turnbull, the group's forceful chairman and chief executive, who died last month.

Charles Mackay stepped in to become chief executive, as previously agreed, and deputy chairman Sir David Orr acted as chairman until the arrival of Plastow from Vickers.

■ Peter Orchard, the chairman of security and bank note printers De La Rue, has died. Mr Orchard, 65, joined De La Rue in 1950 and was made a director in 1963.

He became chief executive in 1977 and took over as chairman in 1987 from Sir Arthur Norman who had dominated the company for 23 years. He was also a director of Delta.

## IF YOU'RE THINKING ABOUT EXPANSION OR RE-LOCATION

Clwyd. The prime location with the extra dimension. A wide range of modern industrial units and serviced land. Directly linked to the M56 and 40 minutes from Manchester Airport, for servicing regional, national and international markets.

Outstanding financial incentives for qualifying projects. All this, plus beautiful North East Wales in which to live and work - there's that extra dimension.

## YOU'RE THINKING CLWYD.

To find out more, call now.

(0352) 702772

or fax your letterhead or business card to (0352) 700321

## ASLK-CGER IFICO USD 50,000,000 - Guaranteed Floating Rate Bonds Due 2000

Notice is hereby given that for the sixth six months interest period from January 29, 1993 to July 30, 1993 the Bonds will carry an Interest Rate of 3.7875% per annum

Interest payable on July 30, 1993 against coupon nr 6 will amount to USD 191.48 per USD 100,000 Bond and USD 1,914.79 per USD 100,000 Bond

Banque UCL S.A. AGENT BANK

NOTICE OF INTEREST RATE To the Holders of BankAmericar Corporation Floating Rate Subordinated Capital Notes due October 1998 CUSIP 264100 1000 Pursuant to the provisions of the Notes issued under the indenture of BankAmericar Corporation dated as of June 15, 1984 as amended by the Second Supplemental Indenture dated as of September 20, 1987, the rate for the period from January 29, 1993 to and including April 29, 1993 is 4.578125%. The amount of interest payable on April 30, 1993 is U.S.\$1,914.79 for each \$100,000 principal amount of the Notes.

CHEMICAL BANK (Security Measurements: Standard & Poor's)

January 29, 1993

## Republic New York Corporation U.S.\$150,000,000 Putable Capital Notes

For the six month period January 29, 1993 to July 30, 1993 the Notes will carry an interest rate of 3.6875% per annum with an interest amount of U.S.\$186.42 per U.S.\$100,000 Note payable on July 30, 1993.

January 29, 1993 By: Citibank, N.A. (Issuer Services) Agent Bank



Ballet/Clement Crisp

# Power of the Bolshoy Effect

Sitting in the Albert Hall, surrounded by 3,000 eager Bolshoy Ballet watchers, it is impossible not to feel that exhilaration which I can best identify as "The Bolshoy Effect". It is a tribute to Moscow's finest that, over a period of 36 years and in a dozen theatres round the world (all of them more congenial to the company than this hall), I have sensed this same extraordinary power that the Bolshoy exerts over its public.

It has to do with bigness of scale, in production as in dance manner, so that audiences surrender to the massive forces - emotional as well as muscular - that are on display. It has to do with theatrical purpose, a dedication to the work in hand, which touches every artist on stage. (In the *Stone Flower* suite on Tuesday night, a gypsy girl and a hunchback musician

played a small drama at one edge of the stage with a conviction that must have reached to the furthest eeries of the hall. Marvellous communicative skill.) It has to do with the cinemascopic swatches of energy and drama with which Grigorovich paints his choreographic scenes.

The "orgy" in *Spartacus* is a combination of roguishness and goose-stepping (Walpurgisnacht at Berchtesgarden) that should make one laugh, and actually works as drama. The fair scene in *Stone Flower* is *Petrushka* without the puppets, and yet brilliantly conceived as dance-action, and even more brilliantly done in its peasant enthusiasms. The street brawl in *Romeo* is a whirlpool of bodies which convinces because at every moment the Bolshoy's dancers are exactly tuned to a mood and to a level of physical grandeur in performance that silences doubts about

this view of Verona and Shakespeare.

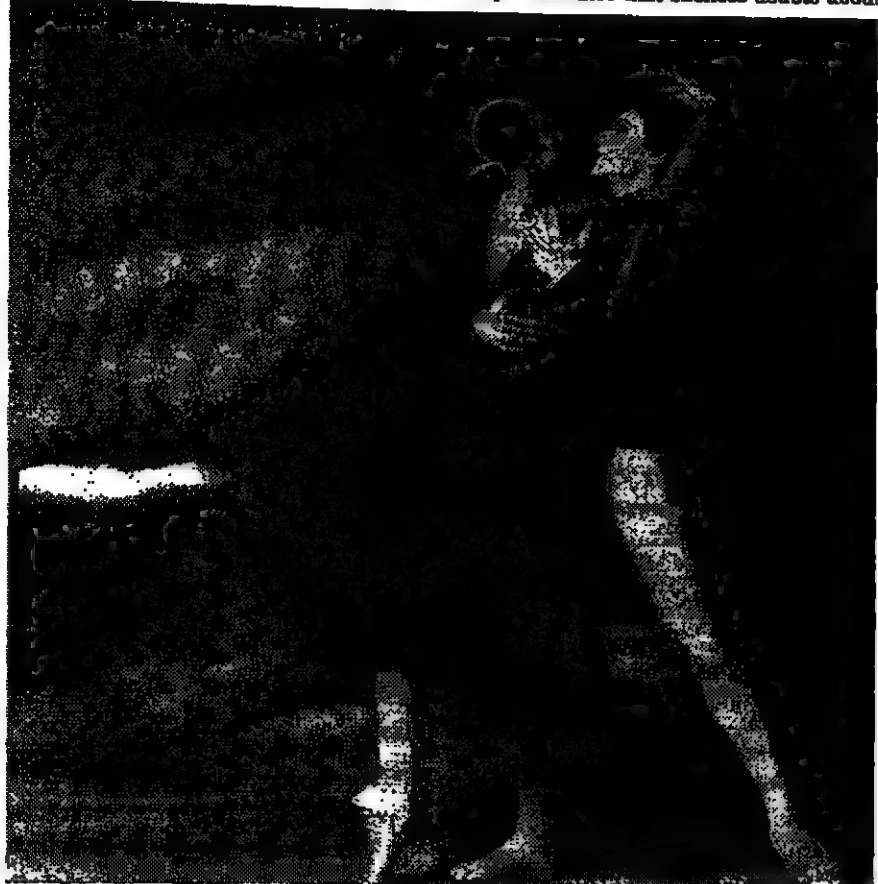
Here is the secret of our belief in these arena evenings. For the most part the central interpretations are minimised or defeated by the lack of a stage frame, and at best we can respond to technical aspects of performance. I find the men more interesting than the women this season, with the exception of Elena Faizina and Anna Petrova, both of whom show poetic artistry as well as physical skill but one looks in vain for the ballerina glories of earlier seasons, for any stimulation from differing temperament and style. (I recall the miraculous variety between Ulanova, Plisetskaya, Struchkova, Mariyeva and Bessmertnova on earlier visits.)

This week I have again admired the princely Andrey Uvarov, the blaze of Nikolay Tsiskaridze's virtuosity (as Mercutio he enlarged and re-charged the role in amazing split leaps and running capers; his death scene was astonishing, not least because he somehow forced our attention upon the beautiful arch of his instep), and the finesse of Sergey Filin's dancing in *Swan Lake*'s ballroom. Yury Kleytsov, a fine, idealistic Danila in *Stone Flower*, does not yet have the dynamic scale for *Spartacus*.

The season is unlike anything we have known before from the Bolshoy, or any other company. It has shown that an audience can be inspired - through an insistent advertising campaign, I'd hazard - to pay high prices for an arena dance event, and that in the Bolshoy Ballet we have the one company in the world that can sustain the demands of such surroundings, and such hype.

Choice of repertoire for the event is acute. It is not what Bolshoy-lovers, even ballet-lovers, want to see, since it cuts corners and ultimately denies ballet as a theatre art to which Moscow's troupe has brought an immense glamour. But this is not theatre - though it is ballet - and the dire imperatives of the Russian economy and the no less dire imperatives of Western costs indicate this formula as a way forward (a temporary one, pray Heaven) for Russian ballet and Western impresarios. It is ballet for a time of crisis. It is also a mutation. And no one - least of all the Bolshoy's directorate - must forget what the Bolshoy Ballet has meant in the past and will, pray Heaven again, mean in a happier future.

The Bolshoy Ballet continues at the Royal Albert Hall until February 14



Yuri Kleytsov and Nadezhda Gracheva in *Romeo and Juliet*

Theatre/Malcolm Rutherford

# This 'Set-Up' asks for music

Someone was saying at the interval that the new show at the Gate would make a very good musical. I think that's right. *The Set-Up* has been around in several forms for half a century and is such a marvellous story that it would be sad to believe that this new adaptation at the Gate is the last word.

The piece is about professional boxing. It was originally published as a play by Joseph Moncur March in 1928. March was a poet who studied his craft under Robert Frost. Subsequently he became editor of the *New Yorker*. He was also a Hollywood script-writer. *The Set-Up* took off as a movie starring Robert Ryan in 1949, though the new script was written by someone else and there were considerable changes to the plot.

For example, the original brave fighter who defies the odds in the ring was white and was called Pansy Jones. Presumably that was because boxing in the 1920s was segregated and white-white conflicts were difficult enough without adding the complexities of race. By the time of the movie Pansy Jones had become black and his name was changed to Bill "Stoker" Thompson, presumably because in the late 1940s to have a black boxer with a sexually equivocal name would have been altogether too much even for American liberals. One thing at a time.

The basic story is about a fighter who comes from nowhere to win a fight that he did not understand he was being paid to lose. He does it by a mix of guts and skill. How the piece ends depends on whoever does the latest adaptation.

The trouble with the version at the Gate is that it has become a one-man show, adapted and performed by Kerry Shale, and written in rhymed couplets. Much as one admires Shale's versatility and powers of endurance, one has to say that it does not completely work.

The trouble with English rhymed couplets is that they are a very limited verse form: they can restrict rather than expand freedom of expression. After the first few minutes anyone with even half an ear can



Kerry Shale

begin predicting the rhymes. This is unfortunately true of the fight scenes where the piece is meant to be at its most dramatic. Whenever the word "yell" comes up, you know automatically that the rhyme will be "bell".

What Shale has done is to try to construct a narrative ballad, but there is another deterrent in the length. "*Requiem*" may be a technically excellent piece of versification, but I doubt if you would want to watch it performed on stage by one man for a good two hours. It is to be briefly listened to, not seen. That is what Shale has failed to realise in *The Set-Up*.

At the Gate there is virtually nothing to look at, only a mirror slightly cracked and a chair to sit in. The mirror is useful in that its reflections give you other views of Shale, but it never cracks from side to side. The drama is lacking: however hard Shale tries - and there are times towards the end when he can be quite spellbinding for several lines at a stretch - one man is not enough.

Full marks to the Gate for professionalism despite its limited resources. Early in the second act Shale understandably dried up. There came one of the most efficient pieces of prompting I have seen from behind the audience. If the prompter had been nodding, who knows what would have happened? Yet if *The Set-Up* were a musical, no-one would even dream of nodding.

Gate Theatre until February 20 (071) 229 0706

The artist Max Beckmann once said: "In my paintings I accuse God of everything he has done wrong". Beckmann is one of the stars of the Berlin exhibition *Art in Germany 1905-37*, which at once celebrates the reuniting of works from museums in the east and west of the city and documents the extraordinary story of political evil and misunderstanding which from the 1930s to the 1980s destroyed, dispersed and kept divided one of the most magnificent collections of modern art in Europe.

Nowhere is art more bound up with politics than in Berlin. In 1919 the Crown Prince Palace gallery on Unter den Linden began amassing a sensational collection of modern German pictures, including those by Klee, Kirchner, Kokoschka, Beckmann, Liebermann and Franz Marc. In 1936 the Nazis closed it, confiscated the works and drove the artists into exile. Some paintings went to Munich for the "Degenerate Art" show - aimed at convincing the public of "Bolshevik-Jewish" decadence by hanging the works badly on walls daubed with racist graffiti - and were then sold at auction. Some were kept as "internationally saleable goods" to be exchanged for foreign currency. Many were burnt, a few hidden, some stacked into bunkers in Berlin or the Thuringian mountains.

After the war, works stored in the east were often looted by the Red Army and turned up later at the Hermitage in Leningrad; through the 1950s they came back to east Berlin's National Gallery. Those in allied territory went to an International Art Collecting Point in west Germany and gradually returned to West Berlin's New National Gallery. The communists accused the west of holding these illegally, and for decades communication between the two national galleries, a few miles apart and each holding parts of the once glorious collection, was forbidden. In the east, there was little money or inclination to supplement the collection, while west Berlin could afford plums on the international art market.

Only now do the two collections join up at the National Gallery in the former east Berlin. This historic venture dovetails a show of some of the best Expressionist and Neue Sachlichkeit paintings, plus details of their anarchic provenances, with an exhibition in an enclave at the heart of the gallery recording what was lost and how. Photos, letters, newspaper headlines illustrate the frenzy and fury, the ideological importance, attached to art by repressive regimes; sales figures show the Nazi's throwaway attitude to modern German art - a Beckmann self-portrait, now at Harvard, bought by the Crown Prince Palace for RM7,000 in 1928, was for example sold to an American collector for RM160 in 1941.

Beyond history, the exhibition is of course a celebration of the most vibrant and exciting period in German art, and the images here of the big city and human isolation in it, the biting satire, the psychic bewilderment, have a freshness and individuality which still thrill: the luminosity, the sensuous ecstasy of Nolde; the nervous, angular mask-like figures in a Kirchner cityscape; Dix's bloated grotesques from jazzband and cabaret.

The famous - Grosz's satire "Pillars of Society", Beckmann's "Death" - are here trumpeted along with much that is unfamiliar, since paintings from east Berlin were rarely lent to international exhibitions. The early Expressionist Lesser Ury, little known outside Berlin, is represented



George Grosz's satire, 'Pillars of Society'

# Berlin art reunited

Jackie Wullschlaeger on a collection torn apart and bound together by politics

with a dreamy view, "Nollendorfsplatz by Night". Among the most moving pictures are two agonisingly sympathetic portraits of down-and-outs in Wedding, a poor Berlin suburb, by Otto Nagel, one of the great German realists from the 1920s, whom the DDR favoured when much German art from this period was deemed as decadent.

Every work here tells a political and an individual story. Among the Kokoschkas, for example, there is the famous portrait of Adolf Loos, and one of Bessie Loos which vanished from a Berlin bunker in 1945, surfaced at New York's Parke Bernet gallery in 1971, and was bought by west Berlin. New to me were a portrait of Jew-

ish businessman, Wilhelm Hirsch, whom Kokoschka regarded as a typical client, socially insecure and therefore wanting the status of a portrait, and a whirling dervish from the 1920s of Berlin's Pariser Platz. Both were snatched by the Red Army and returned to east Berlin in 1958. Most personally significant is "Man with Doll", a portrait of the lifetime replica of Alma Mahler which Kokoschka made after their love affair turned sour. It is a delight that paintings not hung under the same roof since Hitler can now be seen together in a show which sensitively yet unobtrusively records their historical significance. At the Nationalgalerie, Berlin

Recital/Max Loppert

# Nikolay Demidenko

easy mastery. What he appears to lack in this music is charm, imaginative alertness, sensitivity to melodic delight, idiomatic conviction. He evinced not a smidgen of that buoyant pleasure in contrast expected from a Scarlatti group when tackled by a front-rank pianist: the despatch was brisk, unsmiling. Two of the works on offer were complex sets of variations - C.P.E. Bach's on *Les Folies d'Espagne* in the first half, Haydn's celebrated F minor piece in the second. The gift of dramatisation that imbues the unfolding of these pieces with ever-growing excitement seemed conspicuously absent; the Haydn was taken so slowly that the sound of the music remained thoroughly ventilated, the sense dispiritingly

chilly and fugitive. It was a similar story in the Clementi F sharp minor Sonata (also recorded, with wonderful élan, by Horowitz) and the Mozart Fantasia. Demidenko's characterising imagination seems largely asleep in this repertoire. Because he is a performer of such profuse gifts, one longs to give him - metaphorically, at least - a jolly good prod. Series sponsored by Lloyds Private Banking; next Wigmore recital February 24

Fischer-Dieskau retires

Dietrich Fischer-Dieskau has announced his immediate retirement from the concert platform, writes Andrew Clark. The German baritone, who is 67, gave no reason for his decision, but said he would continue to give masterclasses. His last performance was at a gala concert at the Bavarian State Opera in Munich on New Year's Eve.

# INTERNATIONAL ARTS GUIDE

The arrival of 81-year old composer Gian Carlo Menotti as artistic director of the Rome Opera will not re-build the company's tattered image in a day. The Teatro dell'Opera has been languishing under a huge deficit and poor industrial relations for too long. Strikes rather than artistic excellence have been the norm. The theatre's sovrintendente, Gian Paolo Cresci, is renowned for his blend of extravagance and down-market populism - but his appointment of Menotti at least offers some hope for a more consistent programme.

The season finally got under way this month with the Zeffirelli production of *La Bohème* (with five further performances scheduled for the coming week), to be followed on February 9 by Bizet's *Les Pêcheurs de Perles*, conducted by Michel Plasson. Menotti's first visible input to the programme comes

with his own production of Lucia di Lammermoor, opening on February 20 with a cast including Kathleen Cassello, Alfredo Kraus and Giorgio Zancanaro. Giuseppe Giacomini and Daniela Dessi are due to sing in *Il trovatore* in April, and the programme in May is dominated by *La traviata* and the Bolshoy production of Tchaikovsky's *Queen of Spades*. The ballet season consists of Roland Petit's *Proust* (first night March 24) and Kenneth MacMillan's *Manon* (June 3).

The impressive recital line-up includes Roberto Scanduzzo (Feb 1), Alfredo Kraus (Feb 8), Luciano Serra (Feb 22), Montserrat Caballé (March 29), Leo Nucci (April 5), Shirley Verrett (May 3) and Nicolai Ghiaurov (May 17). Among visiting orchestras are the Moscow Radio Symphony with a Tchaikovsky programme conducted by Vladimir Fedoseyev (Feb 14, 15) and the Dresden Staatskapelle under Sinopoli (April 20, 21). The box office number is 481 7003. Beware of last-minute strikes.

EXHIBITIONS GUIDE

**AMSTERDAM** Rijksmuseum Art, Expertise and Trade: more than 100 works giving a behind-the-scenes view of the early 20th century gallery of J H de Bois. Ends May 2. Also of J H de Bois. Ends May 2. Also North Netherlandish Art. 1580-1820. Ends March 7. Gao Olpe (1660-1734) and the Art of Chinese finger painting. Ends

Feb 28. Closed Mon. Stedelijk Museum Ilya Kabakov (b1933): The Big Archive. An installation spread over eight rooms, in which the Russian artist explores the psychology of the Soviet citizen within a bureaucratic labyrinth. Ends March 28. Daily. Van Gogh Museum Glasgow 1900. Ends Feb 7. Daily. **BARCELONA** Fundació Joan Miró Wilfredo Lam: 60 paintings by the Cuban artist. Ends March 28. Closed Mon. **Palau de la Virreina** David Hockney: 73 paintings. Ends Feb 28. Daily. **Fundació Caixa de Catalunya** Photographic Reporting behind the Iron Curtain 1945-80. Ends Feb 10. Closed Mon. **BERLIN** Neue Nationalgalerie After Guernica: major Picasso exhibition. Ends Feb 21. Closed Mon. **Alte Nationalgalerie** The Collection of Count Raczynski: Paintings of the late Romantic era. Ends Feb 14. Also Art in Germany 1905-37. Ends April. Closed Mon and Tues. **CHICAGO** Art Institute Chagall: Moscow Jewish Theatre Murals. These seven monumental paintings, dating from 1920-1 and designed to be fastened to the walls of the theatre auditorium, are among the largest works undertaken by Chagall. Ends May 10. Daily. **GLASGOW** Hunterian Art Gallery American

Screenprints: an exhibition drawn from the private collection of Rebe and Dave Williams, ranging from the beginnings of the medium in the 1920s, to the heyday of Pop Art in the 1960s. Ends April 17. Closed Sun. **Burrell Collection** Boudin at Trouville. Ends Feb 28. Daily. **LEIPZIG** Museum der bildenden Künste Emil Schumacher: 60 paintings from the period 1936-91 by the German abstract painter who recently celebrated his 80th birthday. Ends March 28. Closed Mon. **LONDON** Courtauld Institute Early Plans and Views of Montreal: 100 watercolours, drawings and plans dating from the 18th and 19th centuries, tracing the Canadian city's transformation from a small fur-trading settlement to a dynamic mercantile centre. Ends March 8. Daily. **Hayward Gallery** The changing condition of sculpture 1965-75: 60 works by Joseph Beuys, Richard Long, Bruce Nauman and other influential artists. Ends March 14. Daily. **Royal Academy of Arts** The Great Age of British Watercolours 1750-1880. Ends April 11. Also Sickert retrospective. Ends Feb 14. Daily. **Tate Gallery** Visualising Masculinities: the male body in art since the mid-19th century. Ends June 6. Daily. **Accademia** Italiani Ruskin and Tuscany. Ends Feb 7. Daily.

**MADRID** Centro de Arte Reina Sofia Joan Miró: centenary exhibition of 60 paintings and 50 drawings from the years 1920-60. Ends March 22. Closed Sun. **Fundación Juan March** Kazimir Malevich: 42 oil paintings by the Russian artist who invented Suprematism. Ends April 4. Daily. **NEW YORK** Andre Emmerich Gallery David Hockney: 26 Very New Paintings, all multi-coloured abstractions. Guggenheim America: Invention: a major new installation commissioned from German artist Lothar Baumgarten. Ends March 7. Closed Thurs. **Metropolitan Museum of Art** Ancient Near Eastern Treasures in the Louvre. Ends March 7. Also A Peruvian Lord's Tomb: third century adornments made by the Moche people of Peru. Ends July 4. Closed Mon. **Whitney Museum of American Art** The Geometric Tradition in 20th Century American Art. Ends Feb 14. Closed Mon. **PARIS** Louvre French Paintings and Graphic Arts of the 18th and 19th centuries: the redevelopment of the former Royal Palace continues with works from Watteau to Corot displayed in the 39 newly-opened rooms flanking the Cour Carrée (2nd floor). Also Veronese's *The Marriage at Cana* (Salle des Fêtes). Closed Tues. **Musée d'Art Moderne de la Ville de Paris** Figures du Moderne: Expressionism in Germany 1905-14. Ends March 14. Closed

Mon, late opening Wed (11 ave du Président Wilson). **Musée Galerie Seifia** Egon Schiele: 100 works on paper, showing the torments and erotic obsessions of the precocious Viennese expressionist. Ends Feb 27. Closed Sun (12 rue Surcouf). **Musée Picasso** Grullon: an exhibition built around Picasso's masterpiece of 1930, and including works by Bacon, Sutherland and de Kooning which were influenced by it. Ends March 1. Closed Tues. **ROME** Palazzo Venezia Rome under Sixtus V: the third of a series of exhibitions celebrating the fourth centenary of the death of the Pope who during his short reign (1585-90) did more than any other to turn Rome into the first modern city of Europe. Opening with a handsome portrait by Filippo Bellini, the exhibition explores the character of the man himself (ruthless and single-minded), and shows plans, engravings and scale models of the numerous public works undertaken by Domenico Fontana and others at his behest. It also offers a section devoted to the building and decoration of the Vatican Library, and a group of drawings by Giovanni Guerra, on loan from Copenhagen, made on site during restoration work ordered by Sixtus on the Marc Aurelius column in Rome. Ends April 30. Closed Mon. **Palazzo delle Esposizioni** Giorgio De Chirico (1898-1978):

works covering the whole arc of the long career of one of Italy's few internationally-known 20th century painters. The best are the early metaphysical works, which De Chirico made his name - including the remarkable Red Tower, the enigmatic charm of which remains intact. Ends Feb 8. Closed Tues. **TUBINGEN** Kunsthalle Cézanne: 100 paintings, many on loan from the world's best collections. Ends May 2. Closed Mon. **VIENNA** Künstlerhaus The World of the Maya: 300 exhibits evoking the lost world of the central American people, whose sophisticated culture more than 2000 years ago produced ceramics, mosaic masks, monumental architectural ornamentation, altars and sculptures. Ends June 27. Daily. **ZURICH** Kunsthaus From the Treasures of Eurasia: Masterpieces of Ancient Art. The exhibition consists of 170 works of art chosen from 15 museums in Russia and Ukraine by George Ortiz, whose own rich art collection is being shown in exchange in St Petersburg. The objects range from Greek vases, sculpture and bronzes, to Scythian gold and silver jewellery, Egyptian statues, Byzantine ivory panels and a magnificent winged human-faced sphinx with a lion's body. Ends May 2. Closed Mon.



## Despite new services, UK mobile 'phone charges remain a deterrent, says **Hugo Dixon**

recovered. Today a divided party is barely supporting government with a shrunken parliamentary majority. There is no solace in looking to the opposition. It is not in a shape to inspire us, let alone win an election. As matters stand, it looks as if the ex-

It is, however, a weak administration. I like this: the less power ministers command, the better. But the British psyche is conditioned to expect strong government. That means that when the cabinet decides something, it is automatically passed by the Commons. That is not happening. The combination of a low majority and a divided party has the govern-

ment running scared. Some parliamentary select committees are beginning to exercise a degree of influence over the administration that they previously only dreamed of. Backbenchers' opinions are actually being solicited by ministers. The traditional English way of thinking this is a minor revolution. It is as disturbing as a tiresome talk about the monarchy, the church and our place in the world.

role in the country. I prefer to give this kaleidoscope a twist. The picture becomes brighter. Look: the monarchy is reformed. Church and state are to be disentangled. People start going to church again. Look again: we tailor our foreign policy according to our cloth. The Labour to marketplace forces opposition. The emergence of a parliament that can check the cabinet is generally welcomed. With experience, this government improves. The economic cycle has not been abolished. Spring is on the way. The political opposition is undeniable. The rest are merely items on a wish-list.

Coinset Standard 25-39	Coinset Lifetime 10-49	Coinset LSM 10-49	MFC Change from standard	Rabbit
39	59	39	39	7
39	39	39	39	23
39	39	39	39	100
39	44	39	39	8
39	100	100	39	39
1985	1982	1980	1984	1982
Microphone	Microphone	Coinset Microphone standard	Microphone standard	Microphone standard

Subscription and call rates include VAT

Deadline for submission of pre-qualification applications with all supporting documents at the CDR offices in Beirut, Lebanon is 12:00 noon on March 16, 1993.

Deadline for submission of pre-qualification applications with all supporting documents at the CDR offices in Beirut, Lebanon is 12:00 noon on March 16, 1993.

recovered. Today a divided party is barely supporting government with a shrunken parliamentary majority. There is no solace in looking to the opposition. It is not in a shape to inspire us, let alone win an election. As matters stand, it looks as if the ex-

It is, however, a weak administration. I like this: the less power ministers command, the better. But the British psyche is conditioned to expect strong government. That means that when the cabinet decides something, it is automatically passed by the Commons. That is not happening. The combination of a low majority and a divided party has the govern-

ment running scared. Some parliamentary select committees are beginning to exercise a degree of influence over the administration that they previously only dreamed of. Backbenchers' opinions are actually being solicited by ministers. The traditional English way of thinking this is a minor revolution. It is as disturbing as a tiresome talk about the monarchy, the church and our place in the world.

role in the country. I prefer to give this kaleidoscope a twist. The picture becomes brighter. Look: the monarchy is reformed. Church and state are to be disentangled. People start going to church again. Look again: we tailor our foreign policy according to our cloth. The Labour to marketplace forces opposition. The emergence of a parliament that can check the cabinet is generally welcomed. With experience, this government improves. The economic cycle has not been abolished. Spring is on the way. The political opposition is undeniable. The rest are merely items on a wish-list.

**Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution**

## Not able to name the day

costs of Taurus to London's already pressed securities industry. However, one major group of participants in Taurus

ment to abdicate responsibility and say that whether the regulations apply is a question of trust to be determined by the

interests of the workforce are protected as change takes place.



## FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL  
Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Friday January 29 1993

## Mr Clinton's trade agenda

THE announcement of provisional US anti-dumping duties on the steel exports of 19 countries was bound to cause a reaction. What must be avoided however is either an overreaction or the wrong reaction. The priority is to encourage the new US administration in the right overall trade policy direction, with completion of the Uruguay Round the immediate task.

This does not mean all is well with anti-dumping. Even Laura D'Andrea Tyson, the new chairman of the Council of Economic Advisers and self-proclaimed "cautious activist", admits that "as currently written and applied, both national and multilateral anti-dumping laws err in the direction of deterring competitive behaviour that is not unfair or predatory". To put the point more bluntly, the anti-dumping bureaucracy is like the sorcerer's apprentice. The US Commerce Department routinely finds 97 per cent of all foreign companies it investigates guilty of dumping. How do the other 3 per cent escape?

There is no reason therefore to doubt the statement by Mr Ron Brown, the new commerce secretary, that these findings, however untimely, are not policy statements but "mandated procedures and the result of exhaustive investigations". It is the fundamental criteria which are wrong. But as an equally enthusiastic user of the anti-dumping remedy, not least for steel, the European Community is in no position to throw the first stone.

The sensible reaction would be a shrug of the shoulders. The desirable reaction would be to seek US co-operation in attempts to modify the Gatt code, with the aim of making the underlying economic criteria, which bias the procedure in favour of findings of dumping, less economically irrational. There is, alas, little chance of that.

## Wrong reaction

The wrong reaction, though the most probable, would be for the EC to seek US agreement to a voluntary export restraint on steel, to replace the one terminated by the Bush administration last year. The world does not need further cartelisation of its steel industry. Still less does it need a precedent on which the US automobile industry will pounce. The EC should instead recognise the

## The lessons of Lambeth

IF MANY of its local councils were like Lambeth, Britain would be better off without local government.

Fortunately they are not. Nor is the "unprecedented corruption" uncovered by the south London borough's chief executive the tip of an iceberg of town hall fraud and malpractice. However, Lambeth's predicament is but an extreme and grotesque form of two ills which do afflict local government as a whole: the inadequacy of arrangements for monitoring expenditure and efficiency; and acute weaknesses in political leadership and control.

There is no simple panacea, but significant improvements could be expected from four reforms: the use of proportional representation to elect councillors; a strengthening of internal council procedures for monitoring spending and efficiency; remuneration sufficient to attract to local leadership people with successful track records in the world outside; and the guaranteeing of a stable constitutional position for local government.

The case for PR is far stronger at the local than at the national level. Local elections return not a government but a group of councillors collectively responsible for running their authority. Moreover, while the heterogeneous make-up of the national electorate almost invariably ensures both a strong government and a strong opposition, the more homogeneous territory of most councils makes the return of a numerous opposition less assured. Barnsley currently has one non-Labour councillor. In eight of London's 32 boroughs, three-quarters of the seats are controlled by one party. For much of the 1980s, Lambeth had a far-left majority administration endorsed by barely a third of its electorate.

## Single-tier authorities

The Local Government Commission looks set to make relatively small, single-tier authorities the norm for England, and similar proposals are in play for Scotland and Wales. If implemented, the current electoral system could prove still more damaging in the future than in the past. PR should be introduced as part of a new structure, preferably in a form retaining ward divisions so that electors continue to have named

absurdity of the global anti-dumping conspiracy, as demonstrated in the ludicrous provisional duty of 100.22 per cent imposed on the export of 35,000 tonnes of steel plate by British Steel, and then more on.

It should focus instead on encouraging the Clinton administration to develop a sensible trade strategy. The ill-assorted Clinton administration does not know what it wants on trade. Many in Congress and industry do. They want to bash "unfair" foreigners and "protect" supposedly endangered American jobs. The multilateral alternative needs to be made credible. Under current law, however, the US administration needs to notify Congress by March 3 that it intends to proceed towards a deal on the Uruguay Round of multilateral negotiations. This now seems unlikely.

## Two alternatives

The administration has two realistic alternatives: to seek a relatively short but unencumbered extension of its "fast-track" negotiating authority, with a view to the early completion of the round on the basis of what has already been agreed; or to obtain a longer extension, with the aim of reopening large parts of it.

Both procedures would be risky. But the second looks like euthanasia for the round. To reopen discussion of such issues as agriculture, intellectual property, anti-dumping, subsidies, standards and the creation of a multilateral trading organisation, when negotiators have not yet agreed on market access, would almost amount to restarting the round. It would call into question both the good faith of the US as a negotiating partner and the credibility of multilateral trade negotiations.

This is what Sir Leon Brittan, the new EC external trade commissioner, should be telling his American interlocutors. For perhaps the first time in the postwar era, the US administration does not believe instinctively in the importance of the multilateral trading system. But Sir Leon does. Leadership now rests with him and with the EC. The Clinton administration needs to be calmed towards expeditious compromises on the outstanding issues in the Uruguay Round. All else is secondary.

## Councilors at their service

Breaking single-party monopolies will itself help to improve internal monitoring. But reforms to councils' internal structures are also needed.

District auditors and the Audit Commission have done commendable work in promoting best practice and highlighting inefficiency. Within individual authorities, however, few councillors have taken much interest in those tasks, except when forced to by compulsory competitive tendering. The job has mostly been left to officers, who should themselves be a principal object of scrutiny.

## Quality leadership

Councillors need to give monitoring a high priority. To encourage them to do so, there should be a clear institutional separation between committees responsible for voting money to spend - the "policy and resources committee" in most authorities - and committees (mostly non-existent at present) charged with overseeing the expenditure and investigating value for money. In short, they need mini-public accounts committees. Ideally, their membership should not overlap with that of P&R, and they should have their own dedicated staff.

At the end of the day, a council is only as good as its members. The quality of today's council leaders is mixed at best. Remuneration is part of the problem. At present, not even the leaders of metropolitan authorities are salaried, and the allowances available even to leaders of the opposition and chairmen of principal committees are derisory. There is much to be said for maintaining the tradition of voluntary service in local government; but not for those posts carrying direct responsibility for budgets of millions. Leaders of the larger authorities should be full-time and paid.

Yet money is not everything. Councils will only attract high calibre recruits if they have a secure future. The government has declared a truce in its war with town halls, but ministers continue to advance proposals to strip functions from local authorities, while emasculating their autonomy over spending. Restoring the integrity of local democracy will take more than smooth words.

THE penal dumping duties imposed this week on steel imports into the US have brought predictable cries of protest from around the world. But for the hard-pressed steel industry, the consequences are real enough. About 4m tonnes of steel no longer have a home. Steelmakers in 19 countries, from Australia to Argentina, must either find alternative markets or cut production.

The choice could scarcely have come at a worse time. Worldwide, the steel industry is struggling. In Japan, consumption fell more than 10 per cent last year, according to the Organisation for Economic Co-operation and Development. In Europe, prices have fallen by about 30 per cent since 1988, as a result of recession, domestic over-production, and cut-price imports from eastern Europe.

Late last year Klöckner-Werke, the smallest of Germany's main steel producers, applied for protection from its creditors. Other European steel producers will have to disappear or merge in 1993, Mr Francis Mer, chairman of France's Usinor-Sacilor said yesterday.

World steel consumption overall, says the OECD, has fallen from a peak of 649m tonnes in 1989 to about 607m tonnes last year. Not all of this is due to the economic downturn. Plastics and other lighter materials are taking markets away from steel permanently. In mature economies no longer engaged in heavy industrialisation, demand is in long-term decline anyway. And while there is still strong underlying demand in developing countries, there are also low-cost domestic producers increasingly able to supply it.

In the shorter term, according to the Sheffield-based steel consultancy MEPS Europe, the outlook for world demand is also poor. In Europe it is likely to decline further this year, while the Japanese economy is not expected to pick up until later in 1993. In the US market, meanwhile, prospects are improving but the rate of growth is likely to be slow. The Latin American producers may find their domestic markets more difficult, and a further decline in production is expected in eastern Europe. As for western Europe, according to Mr David Morgan of Lehman Brothers, the stockbroker, gross domestic product needs to rise by 1.5 per cent simply to keep steel demand steady.

This catalogue of problems puts the row over US imports into perspective. That is not to say that the anti-dumping duties are not damaging. Temporary duties imposed this week on carbon steel products were as high as 106 per cent; and as Mr Morgan says, "any duty above 10 per cent is enough to choke people out of a market".

But for British Steel, which faces duties of 109 per cent on its steel plate exports, the duties are

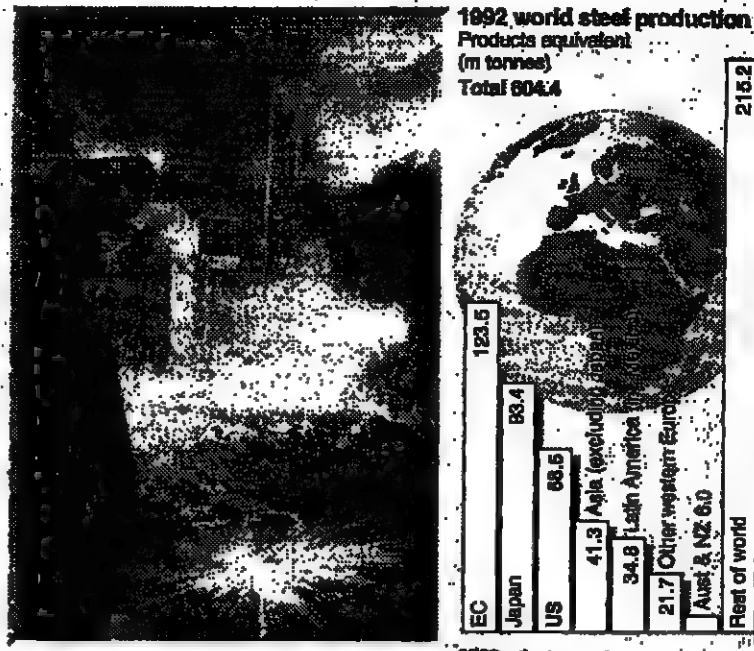
## A controversial sense of duty

US penalties on steel imports pose difficult choices for the global industry, says Andrew Baxter

Steel: heavy weight of overproduction

US imports September 1992 (000 short tons)  
Total 1,383

Source: US Department of Commerce



OECD estimates

described merely as "an aggravation". Its annual sales of 35,000 tonnes of steel plate in the US, worth £7m, are "equivalent to half a week's output at Scunthorpe", it says. Less than 20 per cent of its exports to the US is affected by the decision.

Among other European producers, Hoogovens of the Netherlands is, relative to its total sales, one of the biggest exporters to the US. Usinor-Sacilor of France and Italian and Spanish producers also export to the US. According to Mr Ekkehard Schultz, management board chairman of Thyssen Stahl, the steel unit of Germany's Thyssen group: "The temporary duties imposed by the US would have little effect on the company but would heighten tension on the European market."

Eurofer, the association of European steel producers, reacted gloomily to the US action which, it said, would place "a large question mark over the immediate future of the EC steel market, the situation of which is already worrying". It predicted the duties would cause "total disorder on the international market". BHP of Australia, which

expressed "extreme surprise" yesterday at the Commerce Department's ruling, sells about 135,000 tonnes of Australian rust-resistant steel in the US.

In truth, the imposition of duties by the US Commerce Department is not all bad news, especially for the European producers. There is frustration, inevitably, at the partial loss of access to the world's second-biggest steel market, just as confidence is returning to the economy. And while the tonnages involved are low, the products tend to carry high profit margins.

But the overhanging threat of action by the Commerce Department had already pushed up domestic US steel prices. Importers may be able to raise prices on products not affected by the anti-dumping action, says Mr Jonathan Ayles, senior lecturer in economics at Salford University.

Indeed, trade in many of the products affected by the anti-dumping decisions had been cut back sharply in recent weeks. The release in November by the Commerce Department of preliminary findings

on countervailing duties - used against alleged subsidies of foreign steelmakers - was a clear sign for importers of how the wind was blowing.

It may not be coincidental that the threat of anti-dumping action coincided with almost all leading European steel producers cutting their fourth-quarter output by 15 per cent to 20 per cent. The forthcoming loss of American sales "concentrated producers' minds, which was probably a good thing", according to Mr Edward Hadas of Morgan Stanley, the investment bank.

Total steel imports to the US market had, in any case, fallen from 20.9m short tons (the US measure which is about 10 per cent less than a tonne) in 1988 to 15.8m in 1991. European producers were not expecting to recover the shortfall, says Mr Hadas: the US industry has improved greatly from its dilapidated state in the 1960s and 1970s, and should now be able to supply the domestic market, barring some specialist products.

So what will be the fate of the 4m lost tonnes? Yesterday the message from European producers was clear. Finding new markets is not an

option. In any case, they are already pursuing a different strategy, which concentrates on keeping prices up rather than chasing volume.

Cockerill-Sambre, Belgium's largest steel producer, says it will raise prices by 15 per cent to 20 per cent in the second quarter of the year, following the lead set earlier this month by British Steel, Usinor-Sacilor and Thyssen.

Success in raising prices cannot be guaranteed, however. Already, for example, there have been runnings of dissent from big customers in the European automotive industry. And Europe's steel producers tried to push prices up last year and failed, largely because of overproduction. They appear genuinely determined, though, that it will be a different story in 1993, and the involvement of big companies in the price rises improves the chances of making them stick.

At the same time, they are unlikely to raise production simply to recoup lost sales in the US, for two reasons. First, alternative markets would be extremely difficult to find in the present environment. Second and most important, maintaining a disciplined approach to output will be a crucial element in maintaining the price increases.

With virtually all European steelmakers losing money, the over-riding priority for the industry is the successful implementation of measures which are now being mooted by the European Commission to protect it. The European Community's special steel envoy, Mr Ferdinand Braun, has been touring EC steel companies in recent weeks to assess the extent of the crisis, and will be submitting his recommendations next month. About Ecu500m could be available to help steel producers cut capacity permanently, so short-term restraint on output is in their long-term interests. The European industry wants financial help to cover an expected 50,000 job losses over the next three to four years. Observers believe Mr Braun's talks went well, suggesting that companies realise they cannot expect rivals to make capacity cuts without responding themselves.

Few, if any, of the other countries targeted this week by the Commerce Department will find alternative markets easily. For east European producers on the list, such as Poland and Romania, domestic markets have been ravaged by the political and economic turmoil of the past three years, and further cut-price imports to the EC would simply be used as ammunition by western producers who claim that eastern products are unfairly subsidised. Japanese producers will hardly find solace in their domestic market either. In this situation, most of the world's steel producers are in the same boat.

## Clearing up Britain's energy mess



## PERSONAL VIEW

The trade and industry select committee will today publish its report on British energy policy and the market for coal. It will provide stark proof, if any were needed, of the scale by which the government has botched the privatisation of UK gas and electricity.

Far from opening the industry up to the forces of competition, we have seen uneven bargaining in the marketplace. At the same time a conflict has developed between short- and long-term factors, commercial interests and strategic priorities for the nation.

Having served on the committees for the gas and electricity bills as well as on the trade and industry committee I have seen the government plough on with measures which distorted the market and led inevitably to the present mess.

The nation was understandably outraged and confused at the sudden announcement on October 19 that 31 pits were to close and 31,000 miners and tens of thousands of other workers faced immediate doom.

Three questions arose. How had this come about? Was there a cheaper way of spending taxpayers' money than financing redundancy and unemployment? Why were we abandoning, perhaps irrevocably, such a large amount of our indigenous coal reserves?

To see how this arose it is necessary to look back into the government's privatisation programme. British Gas fought successfully to be privatised as a monopoly, despite strenuous argument that it should be broken up for a genuine market to develop. The company was referred to the Monopolies and Mergers Commission as soon as it was privatised because of its dominance in the industrial market.

Ever since, Sir James McKinnon, the director of Ofgas, the industry regulator, has been battling to open up a genuine market for gas.

The opportunity to achieve this has been offered by the advent in the electricity industry of combined-cycle gas turbine generation.

Eighteen months after gas privatisation, Cecil Parkinson, then secretary for energy, told parliament he would not repeat the mistakes of gas privatisation and would break up the industry. Yet his approach at the outset was timid, and once it emerged that high costs and uncertainties over reprocessing and decommissioning made nuclear power unfeasible, he was left with a generating duopoly - National Power and PowerGen.

The regional electricity distributors, faced with two generators which owned all the coal-fired power stations, were desperate to move into generation to give them something with which to bargain. The dash for gas was on.

The coal industry was squeezed out of the market, and the generators refused to be locked into major long-term coal contracts. British

Coal, faced with its own privatisation pressures, had no choice but to shut down pits.

The main market for coal is electricity supply. It does not have the flexibility of oil and gas. Faced with new gas technology, a subsidised and capacity-protected nuclear industry, subsidised French electricity, rising imports of cheaper coal and environmental constraints, sharp decline was inevitable.

Yet the industry is responding with new technology and changing working practices. Its own forecasts and the assessment of independent experts all say they can achieve world market prices within three to five years. However, if the abrupt market change is allowed to work through, Britain will not have the pits to meet the potential capacity, much of which will be taken up by imports. With opening or re-opening a pit costing about £400m, reserves abandoned now will be lost forever. Had the government liberalised the gas and electricity markets before privatisation, much of the present

debacle could have been avoided.

A generation ago there was a dash for oil that has left a succession of white elephants - under-utilised oil-fired power stations. The gas stations are unlikely to suffer that fate. But we desperately need a regime that promotes genuine competition against a background that will secure a strategic balance of a sensible and flexible fuel mix, the best use of our indigenous reserves of all fuels and minimal long-term dependence on imports.

The committee has had to address a serious short-term crisis produced by ill-thought-out measures. British coal faces a strong challenge, but I believe we have created a breathing space to address all these issues without destroying confidence in any sector.

Malcolm Bruce

The author is Liberal Democrat trade and industry spokesman and member of the trade and industry select committee

## OBSERVER



## Double up in t'pit

It may be old hat these days to talk about there being beds under the bed. But it is rare indeed to find a public figure who has actually shared one with miners' leader Arthur Scargill, especially when the figure is Richard Caborn, Labour chairman of the cross-party committee which is about to reveal how to save Britain's coal industry.

Caborn, MP for Sheffield Central, says the reason for the sleeping partnership was that his brother David was a friend of both Scargill and former shipbuilders' union chief, Jimmy Reid, who used to visit the Caborn family's small house and occasionally stay overnight.

But the MP stresses that, although he shared a bed with the fiery miner, they should not share a pillow. They slept head to toe.

## Early bird

Whatever other sorts of soldiers or ex-paratroopers apparently never even fade away. Take for example the performance of near 77-year-old Sydney Robin at yesterday's Control Securities annual meeting.

Pressed to take on the executive chairmanship when former boss Nazim Virani was arrested in connection with the BCCI affair,

Robin has been working full time trying to balance the competing claims of banks, shareholders and bondholders.

Those who remember him at Great Universal Stores - he was known to take off a shoe in a meeting and bang it on the table Khrushchev-style - will not be surprised at the success of the tough line he took with the shareholders. All the resolutions were carried, and the proceedings were over by 10am.

That led Robin to sympathise with the assembled company, who'd been called out for a 9 o'clock start in case the meeting carried on for hours. He himself had been in the office since 7.

## Seoul singer

Perhaps newly arrived saxophone-blowing President Clinton should get together for a gig with his departing South Korean counterpart, Roh Tae-woo. To mark his retirement next month, Roh has made a compact disc including a TV theme tune which he sings himself, as well as four of his own compositions performed by local stars.

## Ex-communicated

As it's a chairman's job to hire and fire chief executives, it was right and proper that the tricky calls about Chris GreenTree's

It may be a good way of promoting the magazine's relaunch - reputedly financed by the proceeds of selling its picture of security service chief Stella Rimington, the only extant snap showing her face. But besides risking the organ's future by courting enormous damages, the action is scarcely in keeping with its past.

In particular, such a sort of journalism is enough to set the Statesman's starchy founders, Fabians Sidney and Beatrice Webb, spinning in their urns.

## Special

After months of trawling the City, Norman Lamont - or rather his financial secretary, Stephen Dorrell - has found a new special adviser. Swiss Bank Corp's Rupert Darwall is hardly a household name in the City, unlike his predecessor, Alastair Ross Goobey.

But the 31-year-old is the one adviser earmarked for his feel for the markets and what the City is thinking. He is a protégé of John Major's former political secretary, Judith Chaplin, and comes from the "dry" end of the Tory party, being the sort of fellow who feels that the benefits of the Thatcher period are being wasted.

Darwall has no problems in accepting a sizeable salary cut, because he regards the sacrifice as an investment in the "long-term quality of his earnings".

Best known in the City for his work as a transport economist, Darwall is confident that his job security will not be threatened by any change at 11 Downing Street. Even so, it is not all that long since a still better-known transport economist had a part in certain upheavals right next door.

Anyone remember Sir Alan Walters?

## Wild west?

Separatists wanting to make Scotland a free state within the European Community may be upstaged by rebels in west England, according to a Brussels interpreter's version of EC commissioner Hans van den Broek's remarks on impending additions to the membership.

Negotiations could soon be completed, the interpreter said, with "Austria, Finland and Swindon".

## Far stretch

Now here's a statistic to boggle the mind. Japan's Toilet Association says that the paper the Japanese flush down their lavatories daily would wrap 10 times round the equator.

At that rate, it would take them only one year, one week and one and a half days to bridge the gap to the rising sun - given adequate fire-proofing, of course.



## Growth in imports raises concerns over reduced manufacturing capacity UK monthly trade deficit soars

By Emma Tucker and  
Allison Smith in London

RECORD IMPORTS in December pushed Britain's trade deficit to its highest monthly level for 2½ years and inflated the annual current account deficit for 1992 to almost twice that of the previous year.

The last full set of trade figures for six months showed the UK's visible trade gap widening to £1.74bn (£2.82bn) in December as the value of exports fell and the value of imports rose to their highest ever level, boosted by the lower pound. The figures compared with a £1.41bn shortfall in November.

The monthly deficit on the current account - which includes a £200m surplus on invisible items, such as financial services, government transfers and dividends - was £1.54bn, the biggest since June 1990.

In spite of the poor figures, the government could draw comfort from the fact that the growth in export volumes outpaced import volumes in the fourth quarter.

The figures were broadly in line with market expectations. But analysts said the sharp rise in imports reflected more than the effect of sterling's devaluation, prompting concern that the UK does not have the manufacturing capacity to close the trade gap when the economy recovers.

The figures provided some evidence of recovery, with strong growth in imports of consumer durables and manufactured components. The message was reinforced by news that the narrow measure of the money supply - notes and coins in circulation - is likely to breach the upper limit of its Treasury target range this month.

MO is considered by the Treasury to be a reliable guide to

underlying inflationary pressures. According to estimates based on Bank of England figures published yesterday, it has risen by a seasonally adjusted 4.2 per cent this month compared with last January. The upper limit of the Treasury range is 4 per cent.

The December figures from the Central Statistical Office rounded off a dismal year for the UK's trade position. In spite of recession - normally expected to depress imports - the current account deficit last year was almost double the size of the previous year's shortfall.

In 1992 it ballooned to £11.8bn, with imports at a record annual high of £120.4bn. This compares with a current account deficit of £5.32bn in 1991. The deficit on visible trade was £13.77bn compared with £10.3bn in 1991.

The figures prompted fierce opposition attacks in Parliament on the government's handling of

the economy. Mrs Margaret Beckett, Labour's deputy leader, warned that "the country is still in deep recession and deep trouble".

The UK and other European countries now face a gap in the publication of intra-EC trade figures as a new system for measuring trade data, in line with the single market, is introduced.

Although export volumes are expected to pick up this year as UK goods benefit from the devaluation of the pound, most economists expect the trade deficit to deteriorate slowly over the year. The exact position will not be known until June when the CSO publishes the new set of figures. Export volumes, excluding oil and erratic items, slipped by 1.7 per cent month-on-month in December while imports rose by 1.3 per cent.

Details, Page 7

## Geneva talks threatened by further fighting in Krajina

### UN may be asked to intervene in Bosnia

By Robert Mauthner, Diplomatic Editor, in London

BOSNIA peace mediators Mr Cyrus Vance and Lord Owen have decided to ask the United Nations Security Council to impose a settlement on the three warring factions.

After six days of intensive talks in Geneva on the proposed map dividing Bosnia into 10 semi-autonomous provinces, very little progress had been made, according to the conference spokesman, Mr Fred Rickhard.

It is also clear that the serious outbreak of fighting between Croats and Serbs in Krajina, the Serb-occupied region of Croatia, has broken the momentum of the conference on Bosnia and weakened the political will of all three warring parties - Serbs, Muslims and Croats - to reach an agreement.

"One of the options before the [Security] Council would be whether it would consider enforcing a peace proposal that Vance and Owen think is fair, even if one or two of the parties had not signed on to it," Mr Rickhard said. It remains unclear what measures the Security Council would take to enforce the peace plan, given the deep reluctance of most of its members to resort to military intervention.

There was no firm indication yesterday as to whether the international mediators had set themselves a deadline for reaching an agreement. The general assumption appears to be that they are prepared to spin out this round of negotiations at least until the weekend. But if no progress has been registered by then, the decision to turn to the Security Council could come very quickly.

In London, Mr Douglas Hurd, the foreign secretary, ruled out any international military intervention in Bosnia. He emphasised again that British troops would not become directly involved in the conflict, but



French sailors leave Toulon aboard the aircraft carrier Clemenceau

restrict themselves to a humanitarian role.

Testifying before the parliamentary foreign affairs committee, he said: "We don't believe it is possible to impose a peaceful solution [in Bosnia] by means of a military protectorate."

A proposal to tighten sanctions against Serbia by closing its borders to all trade would be discussed by European Community foreign ministers next Monday, he said. Referring to the renewal of Serbo-Croat hostilities in Krajina, Mr Hurd said this development made it essential that the mandate for the UN Protection Force (Unprofor) in Croatia be

extended after it expires at the end of February. "There is a real danger in the absence of a mandate of a renewal of war between Serbia and Croatia."

Croatian forces captured a strategic dam yesterday but said retreating Serb troops had set off three demolition mines at key points, threatening the structure with collapse. A statement issued by the town of Sini said an emergency evacuation of more than 20,000 people living in 20 communities in the valley below the dam would have to be considered.

Serbs set off dam mines, Page 2

## EC holds fire as members attack US for steel penalties

By Our Foreign Staff

THE European Community yesterday shied away from confrontation with the US over Washington's imposition of stiff anti-dumping penalties on carbon steel from 15 countries. But individual governments and producers condemned the Commerce Department action.

Britain's Department of Trade and Industry described the US measures as "protectionist" and "an outrageous harassment". The Australian government described them as amounting to "trade harassment".

France threatened to push for an EC complaint to the General Agreement on Tariffs and Trade. Mr Dominique Strauss-Kahn, the French industry and trade minister, said Washington's decision was "completely against GATT rules and one option for the European Community is precisely to put down a complaint at the GATT". He added: "The Americans are pushing for an agreement in GATT, and on the side they are doing exactly the opposite."

Mr Pierre Bérégovoy, France's prime minister, said European retaliation would be necessary if the US followed a protectionist line.

The European Commission made clear, however, that it did not wish to paint the Clinton administration as protectionist. It moderated its earlier condemnation of Wednesday's decision to impose preliminary duties ranging to more than 100 per cent. "We do not believe there has been an ideological change" on the issue, said a spokesman for Sir Leon Brittan, EC trade commissioner.

A statement from Mr Ron Brown, US commerce secretary, saying the anti-dumping decision was based on mandated legal procedures rather than a new policy statement from the Clinton administration, received a guarded welcome in Brussels.

Editorial Comment, page 13  
EC tries to step back from confrontation, Page 5

## GM shifts production from Finland

By Kevin Done, Motor Industry Correspondent, in London

GENERAL MOTORS Europe has transferred all production of its Opel/Vauxhall cars in Finland to Germany, triggering a complex legal battle with its Finnish partner Valmet, the state-controlled paper machinery and engineering group.

GM has moved production of its Opel/Vauxhall Calibra coupé from Valmet's plant at Tuusula to one of its main German plants at Rüsselsheim, near Frankfurt.

The US carmaker, which is in second place in the west European new car market, has been forced to introduce short-time working at the Rüsselsheim plant during the first three months of this year in the face of weaker

new car sales in west Europe. It has moved the Finnish assembly to Germany to improve capacity utilisation at the German plant and to avoid the added cost penalties of production in Finland.

Mr Louis Hughes, president of GM Europe, said the company incurred a cost penalty of about £45,000 (£912) per car for Calibra produced in Finland compared with assembly of the same car in Germany.

GM had shipped many of the components to Finland from its plants in Germany, incurring substantial transport costs.

In a separate move to cut production costs in Europe, GM is also planning to reduce output at its Bochum plant in Germany, by moving from three-shift to two-shift working.

The company has already introduced short-time working at its Antwerp, Belgium and Luton, UK assembly plants.

The GM action in Finland is a significant blow to the loss-making Valmet group, which produced 34,556 Opel/Vauxhall cars in 1992 and 21,532 in 1991, but which now faces the complete loss of the Opel business in 1993.

Valmet is left only with the assembly of the Saab 900 convertible of which it will produce 7,000-8,000 this year compared with 10,800 in 1992. Saab Automobile is owned equally by GM and Saab-Scania of Sweden.

Valmet is seeking to resolve the dispute with GM under Finnish arbitration rules, but GM is challenging the legality of this move. It is expected to move soon to invoke arbitration under the

rules of the UN Commission for International Trade Law, as stipulated in the 1990 Calibra assembly agreement.

Adam Opel, GM's German subsidiary, signed an agreement with Saab-Valmet, now a wholly owned subsidiary of Valmet, in June 1990 for the assembly of the Calibra in Finland at a time when GM needed extra capacity in west Europe with new car demand at a record level.

The assembly agreement with Valmet is not due to expire until the end of 1998. Under the terms of the deal, GM believes that it is free to decide the volume of cars to be assembled in Finland each year. This output can be zero, as there are no volume guarantees, but only an agreed price per unit.

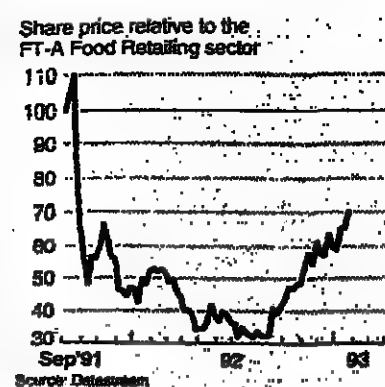
New car unveiled, Page 3

## THE LEX COLUMN

### Asda stocks up

FT-SE Index: 2816.9 (-15.6)

#### Asda Group



Share price relative to the FT-SE 100 Food Retailing sector

#### UK economy

It is easy to blame Britain's striking propensity to import on structural imbalance in the economy. The harder question is the matter of degree.

While yesterday's import figures were made even more horrible by the notorious J-curve effect, the data also show import volume slowed sharply after September's devaluation. The logical explanation is that imports were pushed up by an overvalued exchange rate while the UK was in the ERM.

Now that problem has been corrected, one could hope for slower import growth than would normally be expected in a recovery. That depends, though, on how domestic manufacturers use the leeway created by devaluation. If they are determined to push up margins at the first opportunity, they will rapidly lose competitive edge. The example set by exporters is not particularly encouraging. The value of their sales rose notice-

ably faster in the last quarter than the volume.

#### Stakis

Having sold its nursing homes, Stakis is no longer in need of nursing care. That does not mean a clean bill of health, however. Almost by chance, since its first instinct was to sell its casinos, it is left with a well-balanced business in which the leisure division should provide the cash to help develop hotels. Stakis is well rid of 20 unproductive nursing home sites whose value is falling and which it cannot afford to develop.

Still, the extent of the write-down associated with the healthcare sale does not inspire confidence. The hotels are unlikely to suffer quite such pain when they are reviewed at the end of the year, but some downward adjustment is inevitable. True gearing is thus somewhat higher than the new indication of 42 per cent. While interest cover remains tight and room rates depressed Stakis must still count as a convalescent.

#### MFI

The sang froid of MFI's management offers a soothing contrast to the company's trading performance since sterling left the ERM. Despite the sharp fall in interest rates, turnover is down, and this January's sale compares poorly with last year's. Indeed, the company seems more sensitive to increases in unemployment and the declining housing market than to cuts in interest rates. Last autumn's heavy redundancies hit the blue-collar workers who are MFI's natural customers. With consumers still keen to reduce debt, expensive domestic purchases like kitchens are likely to remain a low priority when recovery eventually starts.

Of course MFI is still generating cash and has an enviable return on capital, even at the low point of the cycle. When the housing market picks up, profits will certainly rise sharply. But timing is all. Even if MFI meets the City's profits expectations for the next financial year, the company will still be at a 30 per cent premium to the sector. The risk remains that those expectations will be frustrated. The management's readiness to blame market conditions might be more palatable if it were not going to take at least another 18 months to return to the profit level achieved before last summer's flotation.

LCT PLC				SNTUKLINE BCIM R			
1010-1013 BZME				517-520 HIDE CMM SOLD			
GLAXO HOLDINGS				WELLCOME PLC			
2.0M				800-9			
SOLD 780-785 HIDE GSCB MIRA				WARR 978-980 HIRE			
13:27 RNS-RAF INDUSTRIES PLC (ANAF.L) HOLDINGS IN COMPANY (ISBB.L) (RNS				NO. 05440)			
13:19 GLAXO ZBLX.L) OTHERS DOWNGRADED BY SNTUKLINE RABNE				GRUP			
13:11 RNS-THROG DUAL TRST.PLA (HDDO.L) HOLDING IN COMPANY (RNS-NE				GSEAR)			

## Do not adjust your set.

Our new UK Equities Information Service means less interference to your working day. It gives access to as much information as you need on one screen. Add as few or as many displays as you like. Adjust them to the size you need. And position them where you want.

You can also set aside part of the screen to reveal other market activity. Equity Focus offers many other advantages, too. It provides everything from in-depth world news coverage to real time trade information, Time and Sales and historical data.

For the complete picture ring 071 250 1122 and we'll send you a brochure. It will give an even clearer view.

**FEUTERER** EQUITY FOCUS: THE COMPLETE PICTURE

World Weather		°C		°F		°C		°F		°C		°F		°C		°F		°C		°F	
		°C	°F																		



**FRUEHAUF**  
The perfect partnership.  
Dereham, Norfolk, NR19 1JF (0362) 695353.

# FINANCIAL TIMES COMPANIES & MARKETS

© THE FINANCIAL TIMES LIMITED 1993

Friday January 29 1993

RING DAVID ROGERSON  
NOW ON 0952-293262  
**Telford**  
Shropshire  
Designed for Business

## INSIDE

### Fiat profits hit by cocktail of problems

Fiat, Italy's biggest private-sector company, yesterday confirmed its profits had fallen sharply in 1992 and described the year ahead as "critical". The group's car business, hit by rising competition and recession, is believed to have made a loss. Mr Giovanni Agnelli, chairman, referred to a cocktail of recession, monetary turmoil, high interest rates and Italy's domestic economic problems. Page 16

### Athens regains confidence

While Greek politicians argue about which projects to include in an infrastructure programme made possible by EC funding, the prospect of money from Brussels is already contributing to a recovery on the Athens Stock Exchange. Cement and construction shares have shown marked gains. Back Page

### Stakis in £28m rights issue

Stakis, the UK nursing homes to casinos group, emerged from convalescence yesterday by selling its nursing homes division and launching a £28m 1-for-3 rights issue. It will now concentrate on hotels and casinos. Sir Lewis Robertson, who came in as chairman in early 1991 when the problems of the over-extended company became critical, said Stakis's future was now "much more firmly assured with its senior direction fully settled". Page 20

### LBC parent calls in receiver

Crown Communications, the parent of LBC, the London talk radio station has gone into receivership. Control has passed to Chelverton Investments whose main shareholders are Mr Matthew Carlisser and Mr John Porter, the son of Dame Shirley Porter, the former president of Tesco. Mr Christopher Chatterway (above), the Crown chairman who is also chairman of the Civil Aviation Authority, is expected to remain chairman of LBC. Page 21

### Walking a knife-edge for Russia

Russian domestic gas prices will be increased by up to 200 per cent on February 1 in an effort to make them catch up with west inflation, Mr Rem Vykhirev, chairman of Gazprom, the Russian state production company said yesterday. "But as soon as you ask for a higher price, everyone thinks you're the enemy of the people, politically we are walking on a knife-edge." He said prices must rise to supply capital to develop new gas fields. Page 30

### Market Statistics

Base lending rates	30	London share services	31-35
Benchmark Govt bonds	10	Life equity options	10
FT-A indices	31	London credit options	19
FT-A world indices	34-38	Managed fund services	34-38
FT fixed interest indices	19	Money markets	38
FT/ISMA int bond svc	38	New bond issues	19
Financial futures	38	World commodity prices	38
Foreign exchanges	38	World stock market indices	38
London recent issues	10	UK dividends announced	20

### Companies in this issue

AB Consulting	21	Graham Telecom	20
AT&T	21	Grupo Torres	18
Abstrust Preferred	21	Hanson	31
Adia	18	ICI	18
Air France	18	Independent Inv Co	20
Alcatel	18	Jury Hotel	20
Alleanza	18	Kleinwort High	21
Arnolds	18	Lasmo	31, 18
Asda	21, 15	MFI	20
BCE	17	McDonald's	17
BHF	17	McDonald Douglas	15
Boeing	15	Microsoft	20
Campbell Soup	18	Mitsui	17
Cap Gemini Societ	18	Nat'l Bank of Canada	17
Capital Cities/ABC	17	Nestle	18
Cardiff Property	20	Newmont Minig	18
Charterhouse	15	Occidental Petrol	15
Chrysler	16	Partridge Fine Arts	20
Circle K	21	Prism Leisure	20
City Site Estates	20	Procter & Gamble	17
Coca-Cola	17	Prolux	18
Control Securities	20	Rhone-Poulenc Rorer	18
Crédit Commercial	15	Robert Bosch	18
Crown Communications	21	Rolls-Royce	31
Daf	15	Royal Bank of Scot	15
DeLanay Group	20	Royal Insurance	15
Derby Trust	20	Saville Gordon (J)	21
Dow Chemical	17	Stakis	20
Dow Jones	17	Sun Alliance	21
Eurochem	18	Sun Life	18
Farepak	20	Tarom	20
Farrington	20	Thorn EMI	31
Fiat	15	Thyssen	20
Firth (GM)	15	Trafalgar House	20
French (Thomas)	21	UAL	17
GM	17	Unilever	17
Granada	31	Unison Saylor	18
		Warner Editions	20
		Watson & Philip	21
		Witan Investment	21

### Chief price changes yesterday

FRANKFURT (DM)			
Rhodes	454	+	9
AG Ind & Werk	584	+	8
Adia	266	+	8
Herz	274	+	11
Falke	274	+	11
Badenwerk	780	+	20
Guttschmidt	780	+	20
Zander Fernap	178	+	12
NEW YORK (US)			
Rhodes	23 1/2	+	2
Lotus Dev	23 1/2	+	2
Falke	22 1/2	+	1/2
Amer Express	109 1/2	+	3 1/2
Intl	109 1/2	+	3 1/2
Service Merch	11 1/2	+	3 1/2
Sun Micro	37 1/2	+	3 1/2
UAL	123	+	2 1/2
PARIS (FFr)			
Rhodes	149	+	9
Cap Gemini	149	+	9

New York prices at 12.30pm.

LONDON (Pence)			
Rhodes	67 1/2	+	4 1/2
ASDA	10	+	1 1/2
Brent Walker	51	+	5
Brown Shipley	60	+	5
Dart Group	108	+	11
Dogman Pack	200	+	30
BP	200	+	30
Graham Tole	57	+	9
M-Tec Sports	74	+	11
Revel Systems	65	+	11
Leg Group	8	+	1 1/2
Microvict	26	+	3 1/2
Movys	435	+	46
Procton (A)	104	+	7
Standard	127	+	3 1/2
Statistik	127	+	3 1/2
Statis	45	+	4
Tadpole Tech	250	+	26
Watson Philip	333	+	30
Falke	50	+	10
BN Group	50	+	10
City Site Ests	13	+	11
Dawda Business	505	+	45
Laser	21	+	3
MFI Furniture	128	+	7
Smith (WMA)	425	+	15

## Aircraft makers fight to escape from the slump

FOR the past 12 months, Boeing has been discussing possible production cuts with its huge range of suppliers and subcontractors. For them, this week's news that Boeing would be cutting annual output by 40 per cent did not come as a surprise.

That did not make it any more pleasant. Boeing's cuts came after similar decisions by its two smaller competitors, McDonnell Douglas and the European Airbus consortium.

The industry believes it is coming to the bottom of its worst cyclical downturn since the second world war. But, unlike in previous cycles, there are no signs of a rapid recovery. Excess capacity - put by some analysts at about 10 per cent - and too many aircraft programmes are dragging down profitability.

The big engine manufacturers have been hardest hit by the production cuts. All three - Rolls-Royce, Pratt & Whitney, and General Electric of the US - are committed to costly long-term development programmes for new engines to power the next generation of wide-body aircraft. Usually, it takes an engine maker about five years longer to see a payback from a new project than it does an aircraft manufacturer.

For US parts manufacturers, the cuts in aircraft production come on top of the sharp decline in the US defence equipment budget. Companies suffering range from manufacturers of aircraft fasteners, such as Hi-Shear Industries, to makers of sophisticated avionics systems, such as Honeywell, the controls group.

Northrop, the Los Angeles-based defence contractor that is best known for making the B-2 bomber but which also makes the fuselage, doors and other small parts for the Boeing 747, will be

hit hard by the decision to cut back 747 production next year from five aircraft a month to three.

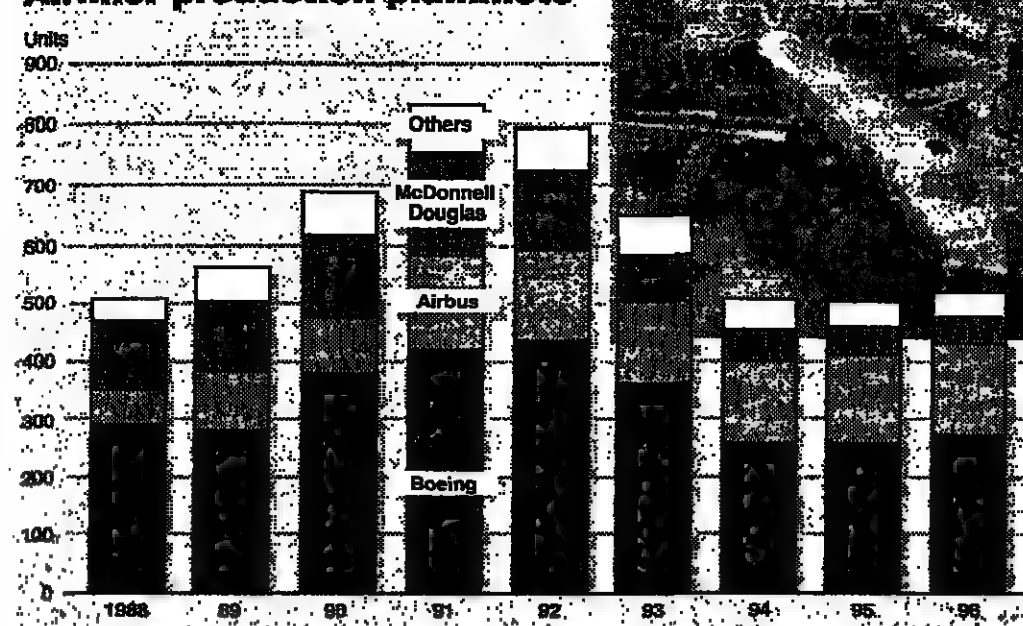
Analysts believe Northrop's revenues on each jumbo jet total between \$10m and \$15m, which means the company could lose between \$240m and \$360m a year in sales.

That is not large relative to Northrop's total group sales of some \$5.7bn, but the company has been trying to establish a much larger presence in the commercial aircraft market to offset declining defence industry sales.

In spite of the slowdown, and the likely cuts in jobs that it involves, Northrop says it remains optimistic about the industry's long-term growth.

Overseas, other suppliers hit by the cutbacks say the same. Smiths Industries of the UK puts avionics worth about \$500,000 into each Boeing 737, so the cut in production from the recent peak of 21 monthly to 10 will have a significant impact. How-

### Airliner production plummets



generators for Airbus. The Birmingham-based group said the latest cuts would have little effect, because it had already taken a very cautious view of demand.

It was the collapse in Lucas's aerospace profits last year that has made the motor and aircraft components group appear vulnerable to a takeover. The company

Shipments of both will drop from five to three a month from July, according to MHI.

It will not have much of an impact on MHI as a whole, however. Aircraft account for about a fifth of MHI's annual sales of £20,500bn. Less than five per cent of the company's sales go to Boeing, so at most its overall sales will fall by about 1 per cent.

with their customers. "Within the next decade," said Mr Larry Clarkson, Boeing's vice president of planning and international development, "we will probably see a change in both the composition of the aircraft manufacturers and the types of relationships they have with suppliers."

The slump has forced aerospace prime contractors to cut back on suppliers. "Until recently, in many cases we had two or more suppliers providing the same component," said Mr Clarkson. "The fact is, dual sourcing is very expensive, and we have had to find ways to be more and more competitive."

Alliances of every sort are proliferating. In France, Aerospatiale and Thomson-CSF have merged their avionics operations into a joint venture. And in the UK, where Dowty has been taken over by TI and Lucas is seen as a possible takeover target, Smiths Industries has been discussing collaboration with Rockwell Collins of the US.

There are already only three large aircraft makers and three engine makers; in time, there is likely to be room for only three suppliers in each prime component sector.

## Chrysler increases earnings to \$356m

By Martin Dickson in New York

CHRYSLER, the US motor manufacturer, yesterday underscored the gradual recovery in the North American vehicle market and its own sharply improved performance by announcing fourth-quarter net earnings more than tripled from 1991.

Chrysler, the smallest and most financially vulnerable of Detroit's big three manufacturers, had net earnings of \$356m, or \$1.12 a share, compared with \$97m, or 33 cents a share, in the same period of last year. Sales and revenues totalled \$10.2bn, up from \$8.2bn.

The figures were slightly ahead of Wall Street expectations, which had been pitched around \$1.05 a share. Chrysler had forecast profits of over \$300m as part of the regulatory filings for its current offering of 40m shares.

The company's shares rose 1/2 in morning trading on the New York Stock Exchange to \$39 1/2, which would allow its share issue to raise \$1.57bn gross.

Chrysler is the first of the Detroit companies to report fourth-quarter figures. Ford Motor has already signalled it expects a loss - largely because of problems in Europe - which analysts think may total between \$250m and \$450m.

General Motors, which is undergoing a drastic restructuring of its loss-making North American operations, could produce figures ranging from a small profit to losses of \$300m before special charges.

Chrysler, whose long-term survival was being questioned two years ago, reported 1992 earnings of \$723m, or \$2.21 a share, compared with a loss of \$795m, or \$3.25 a share, in 1991. Revenues rose from \$89.4bn to \$88.9bn.

Its share of the North American car and truck market rose from 12.4 per cent in 1991 to 13.4 per cent, helped by the launch of some important new vehicles.

Mr Robert Eaton, chairman, and Mr Robert Lutz, president, noted that volumes and margins were up for the year and discounts to sell vehicles were lower. However, they said the company had to continue to improve its product launches, cost reduction efforts and quality and productivity gains.

"The economic recovery in the US continues to be slow and neither our balance sheet nor our credit rating are where we want them to be," they added.

## Paul Betts, Andrew Bolger, Charles Leadbeater and Martin Dickson analyse worldwide effects of recession in the aircraft industry

ever, the UK company said 80 per cent of its avionics go into the defence sector which, despite cuts, was looking robust - particularly in the US.

TI Group, the specialist engineering group, says it factored in the present downturn in demand when it took over the struggling aerospace engineer Dowty in 1991, with a hostile bid. Dowty supplies undercarriages and activation systems to both Boeing and Airbus, and TI said it was confident that the sector's long-term growth trend would be resumed.

Lucas Industries makes engine management and activation systems for Boeing and power

most often cited as predator is BTR, the industrial conglomerate that took over Hawker Siddeley at the end of 1991 after the UK group's aerospace and other engineering businesses had all been hit hard by recession.

In Japan, where the aerospace industry is small by international standards, a string of companies that have become closely linked to Boeing in the past few years will be affected.

Mitsubishi Heavy Industries, which has about 30 per cent of the Japanese aerospace industry's output, supplies parts for the rear body of the Boeing 787 and inboard flaps for the 747.

Kawasaki Heavy Industry, which supplies the forward fuselage and body panels for the 787 as well as components for the 737 and 747, said the cuts would have a big impact on its aerospace business.

Toray, the chemical company, which this summer will start producing carbon fibre for Boeing from a US plant, said it was well prepared for the cuts. Toray has also diversified. Aerospace accounts for just 30 per cent of its carbon fibre sales and 50 per cent go to manufacturers of sporting goods such as tennis rackets.

For all the suppliers, the current downturn is helping bring about a shift in the relationship

with their customers. "Within the next decade," said Mr Larry Clarkson, Boeing's vice president of planning and international development, "we will probably see a change in both the composition of the aircraft manufacturers and the types of relationships they have with suppliers."

The slump has forced aerospace prime contractors to cut back on suppliers. "Until recently, in many cases we had two or more suppliers providing the same component," said Mr Clarkson. "The fact is, dual sourcing is very expensive, and we have had to find ways to be more and more competitive."

## Occidental Petroleum to sell off coal business

By Karen Zagor in New York

OCCIDENTAL Petroleum, the Los Angeles-based energy group, yesterday revealed that its coal business was for sale and said the company would take a fourth-quarter, non-cash after-tax charge of \$800m to cover the costs of divesting it.

The announcement ended months of speculation about Occidental's plans for its coal operations. Although the company had indicated coal was no longer a core business, it had never said it planned to leave the business entirely.

Moody's Investors Service placed Occi-

dental's long-term debt and commercial paper under review for potential downgrading. It cited concern "for the financial performance of Occidental's core business" and the continuing high financial leverage, despite substantial restructuring efforts undertaken by the company since 1991.

Occidental turned in fourth-quarter income from continuing operations of \$14m, or 5 cents a share, compared with \$7m, or 2 cents, a year earlier.

Including discontinued operations, the company had a net loss of \$588m, or \$1.94, in the latest quarter against net income of \$6m, or 2 cents, in 1991. Sales slipped to \$2.5bn in 1992 from \$2.5bn in the 1991 quarter.

Mr Ray Irani, chairman and chief executive, said: "We have implemented significant new cost savings measures including a salary freeze and substantial reductions in personnel, and we expect these measures to have a positive impact on our results in 1993."

"We have made no secret of the fact that our coal operation is not one of our core businesses and we are proceeding with its disposal in a prudent and orderly fashion."

The company said it was discussing the sale of its coal business with several interested parties.

For the full year, Occidental had income from continuing operations of \$128m, against \$372m in 1991.

The company posted a net loss of \$581m, or \$1.97 a share, in 1992 compared with net income of \$460m, or \$1.52 in 1991. Occidental took net charges of \$244m for the adoption of new accounting standards.

The announcement failed to rattle Wall Street, where shares in Occidental firmed 5/8 to \$18 1/2 by midday in New York.

## BHF and Crédit Commercial poised to buy Charterhouse

By Robert Peston, Banking Editor

BHF, a German bank, and Crédit Commercial de France, the French bank, are each expected to buy 45 per cent of Charterhouse, the merchant banking subsidiary of Royal Bank of Scotland.

RBS is poised in the next few days to announce the long-awaited sale of 90 per cent of Charterhouse. In a deal expected to value Charterhouse at around \$200m, RBS is expected to retain a 10 per cent holding.

RBS has been looking for a buyer for Charterhouse since January last year. Negotiations with the French and German institutions, which are being advised by the UK merchant bank Schroders, have been dragging on for several months,

according to a banker with an intimate knowledge of the talks. Talks are now entering their final phase.

RBS, advised by SG Warburg, has been holding out for an improved price, though bankers are now hopeful that the two sides are not far apart. However one banker added: "Until the deal is signed, something could still go wrong."

If completed, the deal would be the first time a merchant bank has been bought by a Franco-German banking partnership. CCF and BHF, which both have investment banking operations of their own, aim to build up a pan-European merchant banking business with Charterhouse at its centre.

CCF and BHF were found separately by RBS as possible buyers of Charterhouse. However, CCF

and BHF already knew each other well and each holds 1 per cent of the other's shares.

A price of \$200m for Charterhouse is equivalent to a small premium to the net value of Charterhouse's assets. These net assets are shown in its last balance sheet as being worth £136.6m at September 30, but that figure takes no account of its hidden, undisclosed reserves, which are thought to total around \$50m.

Charterhouse has been a successful investment for RBS, which paid \$150m for it in January 1985 and has since taken out dividends totalling more than \$120m. In the autumn of last year, it withdrew £61.4m in a cash dividend from the merchant bank, which has earned a return on capital over the past few years between 12 per cent in 1990 and well above 20 per cent.

## Asda launches rights issue

By Maggie Urry in London

ASDA, the UK grocery retailer, has launched a £347m (\$527m) rights issue only 15 months after it raised £367m through a similar exercise.

The issue, along with Wessex Water's £113m rights on Tuesday, is expected to mark the beginning of a string of deals to raise equity capital in the London market.

Companies are keen to take advantage of a relatively buoyant stock market and to raise money from the City of London before the UK government's demand for funds to finance its budget deficit becomes too onerous.

Mr Archie Norman, chief executive of Asda, said yesterday that the group had been looking to make a rights issue towards

the end of this year but decided to come earlier.

He said he warned Morgan Grenfell, Asda's merchant bank, before Christmas that the company might go for an issue early in the new year. Less than three weeks ago he asked the bank and Asda's brokers for a date as soon as possible.

Mr Norman said yesterday: "There are a lot of rights issues in the pipeline. When I met Morgan Grenfell I told them: 'I want to be first'". He said the group had no immediate need for the money but wanted to accelerate the group's recovery programme begun in May.

The issue marks a further step in the transformation of Asda, which 18 months ago had looked to be in severe decline. The board has since been almost completely changed, with Mr

Norman arriving in December 1991. The group's shares rose on the news, closing up 3 1/2p at 67 1/2, indicating investor support for the issue.

The previous rights issue was priced at 35p but the shares fell after that, reaching a low of 25p in August last year.

Asda also made a profit forecast for the current year, to May 1, of £130m pre-tax and before an exceptional credit of £8.7m and the interest receivable on the rights issue money, estimated at £3.5m. This would be a rise from £86.8m in 1991-92, before exceptional write-offs of £451.6m.

A final dividend of 1.1p is forecast, which would give a total of 1.6p, down from 2.1p the previous year and 4.8p in 1990-91.

The profit forecast exceeded brokers' earlier estimates. Lex, Page 14

## Securities data.

# You demand, we supply!

As someone who deals with international securities data you should demand the most accurate, reliable and authoritative information possible.

We, as the market's official body with over 900 member firms in over 40 countries, can supply it in any form you require, whether printed or electronic. Can you afford to be without us?

For further information on our products and services, please return this coupon at the address shown.

NAME \_\_\_\_\_

COMPANY \_\_\_\_\_

ADDRESS \_\_\_\_\_

TELEPHONE \_\_\_\_\_ FAX \_\_\_\_\_

INTERNATIONAL SECURITIES MARKET ASSOCIATION LTD  
Seven Limeharbour Docklands London E14 9NQ Tel: (44-71) 538 5656  
Fax: (44-71) 538 4902



## INTERNATIONAL COMPANIES AND FINANCE

## Fiat confirms steep slide as 'critical' year looms

By Haig Simonian in Milan

FIAT, Italy's biggest private-sector company, yesterday confirmed its profits had fallen sharply in 1992 and described the year ahead as remaining "critical".

Mr Giovanni Agnelli, chairman, said in a letter to shareholders that the group's industrial activities, which account for more than 80 per cent of its sales, had remained in profit at the operating level. However, margins are believed to have fallen to about 0.2 per cent of sales against 1.1 per cent in 1991.

The group's key car business, hit by rising competition and recession, is believed to have made a loss, although no official figures are available. In a summary of the group's problems, Mr Agnelli referred to a

cocktail of recession, monetary turmoil, high interest rates and Italy's domestic economic problems.

Group pre-tax profits are likely to fall to around L800bn (\$542m) against L1,690bn in 1991. The figure has been boosted by substantial extraordinary earnings, the biggest of which is a L700bn contribution from the sale of Fiat's 25 per cent stake in Alcatel Italia, the telecoms group formed largely from its former Telettra subsidiary.

Official profits figures - and news of the dividend - will not be released until May.

The group's continuing commitment to investment and research and development - which reached a record 14 per cent of sales last year - has had a heavy impact.

Fiat's net financial position

worsened to a deficit of L3,800bn at the end of last year, compared with a L270bn deficit at the end of 1991 and L2,510bn at end-June 1992.

Group turnover increased 4.6 per cent to L59,100bn thanks to the first full-year's contribution from the Ford New Holland tractors and heavy trucks business.

On the cars side, sales fell to L26,886bn from L27,506bn, reflecting the 114,700 drop in unit sales and the reduction of margins.

Mr Agnelli confirmed that Fiat's Iveco trucks unit, tractors and earthmoving equipment activities remained under considerable pressure last year.

Tractors and earthmoving equipment were reaching break-even point at operating level, he said.

## First loss for Cap Gemini Sogeti

By William Dawkins in Paris

CAP GEMINI Sogeti (CGS), Europe's leading computer services group, yesterday provided further evidence of the recession in the computer industry by publishing its first annual loss.

The French group made a net loss of FF830m (\$14.8m) last year, against a FF560m net profit in 1991, on turnover up 19 per cent over the same period, to FF12bn.

The sales rise was due to the first-time inclusions of two acquisitions, Vohmac and Proqramator, the Dutch and Swedish computer services groups, rather than growth in the market. Pre-tax profits fell to FF45m from FF584m, after a FF338m restructuring charge for between 1,000 and 1,500 job losses.

Earnings suffered from the twin pressures of the economic downturn and the growing trend for computer manufacturers to diversify into services such as advice on installation, CGS's core business, said Mr Geoff Unwin, one of the group's three presidents.

Many computer makers had tried to buy market share by cutting fees, but Mr Unwin predicted that they would not be able to hold rates at unprofitable levels indefinitely.

CGS had been able to hold its rates in systems integration, where quality was still at a premium, said Mr Unwin. However, demand was weaker for computer training, one of the first costs that businesses have sought to trim during the downturn.

Another factor in the loss was the upheaval in CGS's scattered subsidiaries, where the group is encouraging units in different countries to work together more often on transnational projects, a service in increasing demand among its larger customers.

This has meant replacing the former territorial split of responsibilities with an organisation based on a mixture of sector and geographical lines. CGS expects the first fruits of the reorganisation to show this year.

## Daf secures backing for short-term

By Ronald van de Krol in Eindhoven

DAF, the troubled Dutch truckmaker, has secured promises from its creditors that they will seek to arrange short-term financial banking for the company, but has yet to reach full and final agreement on long-term restructuring.

Mr Cor Baan, Daf's chairman, said a "minority of the

parties" involved in the search for ways to secure the company's future needed more time to study certain "facets" of Daf's proposed restructuring plan.

He said the additional investigations would be completed as soon as possible, but could not say when the Daf rescue plan would be unveiled.

Twice this week Daf has called a press conference to

announce the plan, only to say that the talks had yet to yield a final result.

Mr Baan declined to name the parties or give details of the plan, other than to say that it would involve a "package of projects" and would represent a "very thorough-going restructuring".

Some of Daf's banks are thought to want a closer analysis of the restructuring plan

before committing more long-term funds. Separately, the economic affairs ministry said in The Hague that the analysis requested by the banks could take weeks.

Unions are braced for heavy job losses in the Netherlands and also in Belgium and the UK, where the truckmaker has large industrial operations.

The company has posted losses for the past three years

## IRI dismisses board of Iritecna subsidiary

## COMPANY NEWS IN BRIEF

IRI, the Italian state holding company, yesterday dismissed the board of Iritecna, its loss-making civil engineering subsidiary and Europe's second-largest general contracting group, writes Robert Graham in Rome.

The new board is to be headed by Mr Franco Bonelli, a commercial law expert and former visiting professor at Stanford. The chief executive will be Mr Roberto Giamini, an MIT-educated engineer MIT with extensive experience in both the state and private sectors, including working with Shell and Olivetti.

Last week, IRI took similar action with Iva, its troubled steel group.

This latest move underlines the determination of Mr Michele Tedeschi, IRI's chief executive, to take radical steps to reduce mounting losses against the background of the government's privatisation plans.

The board shake-up has also highlighted the problems faced by IRI when, a year ago, Iritecna became the vehicle for merging IRI's civil engineering, construction and industrial plant enterprises, held by Italstat and Italmimpianti. Final 1992 figures have yet to be announced, but losses are understood to be around L1,500m (\$1.01bn) on turnover of L5,900m.

## Alcatel chief predicts flat earnings for year

MR PIERRE Suard, chairman of Alcatel Alsthom, the French telecommunications and engineering group, yesterday estimated that last year's net profit rose by between 12 per cent and 15 per cent, but that earnings would probably be

flat this year, writes William Dawkins in Paris.

This indicates that profits rose to at least FF77bn (\$12.9bn) in 1992 from FF62.2bn in 1991. It also appears to back up recent warnings from analysts that profit margins in the telecommunications equipment market, from which Alcatel Alsthom derives more than half its profits, could shrink in the next few years.

Mr Suard told the French business newspaper Les Echos that he did not expect to make any big acquisitions this year. He was, however, interested in investing in the newspaper and magazine industry, though this would continue to form a small part of Alcatel Alsthom's business.

## Alleanza enters Ambroveneto pact

ALLEANZA, the Italian life insurer controlled by Generali, has entered the shareholders' pact running Banco Ambrosiano Veneto (Ambroveneto), Italy's biggest private-sector bank, with a 11.15 per cent stake, writes Haig Simonian in Milan.

Alleanza has bought 5 per cent from Generali, the Fiat-controlled investment group which last month announced the sale of its holding of more than 13 per cent in the bank. Alleanza, which already has a small holding in the bank, is also buying 5.35 per cent of Ambroveneto currently owned by Generali.

The acquisitions will put Alleanza, which has simultaneously signed a deal to sell insurance products through

Ambroveneto branches, almost on a par with the four other members of Ambroveneto's shareholders' pact.

Three of the four - Credit Agricole of France, Crediop, the Italian long-term lending bank and a consortium dominated by Brescia-based banking interests - are expected to absorb Generali's remaining 8.1 per cent stake in Ambroveneto by raising their own holdings by 2.7 per cent each.

## Adia plans rights Sfr250m issue

ADIA, the Swiss-based international employment services group, will have to dig deeply into shareholders' capital to finance an estimated 1992 loss of Sfr203m (\$139m) and intends to raise new capital through a rights issue, writes Frances Williams in Geneva.

The group made sharply reduced profits of Sfr25m in 1991 on a turnover of Sfr3.2bn.

The company will propose a capital increase "of at least Sfr250m" through a rights issue. Most of this will come from the conversion into equity of a Sfr200m loan made to Adia last year by its majority shareholders, Mr Klaus Jacobs, the Swiss industrialist, and Asko Deutsche Kaufhaus, the German retailing group.

## Telefonica up 3.8% to Pta83.8bn

TELEFONICA, Spain's government-controlled telecommunications group, raised its net profits by 3.8 per cent last year

to Pta83.8bn (\$754m), according to provisional results, writes Tom Burns in Madrid.

The group said it was repeating an interim dividend of Pta25 per share indicating that last year's payout of Pta87.2 per share will remain unchanged despite the profit increase.

Cash-flow rose by 16.4 per cent to Pta468bn, due in part to a Pta384.1 allocation for depreciation which was 31 per cent up on 1991. The operating margin improved by 15.6 per cent to Pta689bn.

## Altus expected to bid for Hafnia

ALTUS Finance, one of the investment companies of Crédit Lyonnais, the French bank, is expected to make an offer for Hafnia, the troubled Danish insurance group that suspended payments to its creditors last year, writes Our Financial Staff.

Hafnia yesterday extended the deadline for bids to February 19, to give potential buyers more time to examine the group's business.

A number of other groups - Almindelige Brand, Egl. Brand, and Codan, of Denmark and Skandia of Sweden - have also shown varying degrees of interest in Hafnia.

Sun Alliance, the UK's largest general insurer, owns a majority of Codan.

Hafnia, one of Denmark's two largest insurance companies, was pushed into difficulties after sustaining heavy losses on its investments in rival Scandinavian companies, Skandia of Sweden and Baltica of Denmark. Hafnia owns 33.5 per cent of Baltica and 14.8 per cent of Skandia.

## Lasmo shares slide on sudden departure of chief executive

By Angus Foster in London

MR CHRIS Greentree, who built Lasmo into one of the UK's leading independent oil and gas exploration companies and led its 1991 takeover of rival Ultramar, was yesterday replaced as chief executive.

Lasmo's shares fell 8p to 153p on fears the company would take the opportunity of a boardroom change to cut its dividend when it announces results in March. High borrowings, partly due to the Ultramar takeover, and a weak oil price have dented Lasmo's earnings. A maintained final dividend would almost

certainly be uncovered.

Mr Greentree's sudden departure drew parallels with BP, where a boardroom split led to last June's ousting of Mr Bob Horton, chairman, and to BP cutting its dividend. But Lord Rees, Lasmo's chairman, insisted Mr Greentree, 57, was leaving to pursue other interests and the parting was friendly.

Mr Joe Darby, formerly chief operating officer and with the company since 1979, was named Mr Greentree's successor. Lasmo said Mr Darby would continue with the disposals and the reduction of overheads following the

Ultramar acquisition.

Analysts expect Lasmo to announce net income of about £29m (\$43.5m) for the year to September 30, equal to earnings per share of about 3p. Dividends last year totalled 8.5p, suggesting the final payment would need to be cut to remain covered. Last July, the interim dividend was held at 2.3p.

Lasmo raised \$1.53bn through disposals last year, including some of Ultramar's North American and North Sea assets. But according to some estimates, year-end net borrowings were high, at about £1bn, giving gearing of 92 per cent. Observer, Page 13

## 'Substantial' fall at Robert Bosch

By Christopher Parkes in Frankfurt

ROBERT BOSCH, Germany's leading vehicle components maker, suffered a "substantial" fall in profits last year, and faces another difficult period in the current financial year, the company said yesterday.

Earnings figures, which are

expected to be published in June, will therefore show their third consecutive decline. Net profits dropped 10 per cent in 1990 and fell a further 3.5 per cent to DM540m (\$339.8m) last year.

Group sales, up just 2.2 per cent to DM34.4bn, compared with DM33.6bn in 1991, had been hit by the effective reval-

uation of the D-Mark against other currencies during the second half. Adjusted to take account of this factor, turnover rose by 4 per cent.

Rationalisations, including cuts in material and capital costs, and the reduction of the workforce by 11,000 to 170,000 worldwide had helped improve productivity, the group added.

This announcement appears as a matter of record only.

New Issue

January 1993



## TOKYU CONSTRUCTION CO., LTD.

(Tokyu Kensei Kaisha Kabushiki Kaisha)

U.S. \$180,000,000

2 3/4 per cent. Guaranteed Notes due 1997

with  
Warrantsto subscribe for shares of common stock of Tokyu Construction Co., Ltd.  
The Notes are unconditionally and irrevocably guaranteed byThe Mitsubishi Bank, Limited  
(Kabushiki Kaisha Mitsubishi Ginko)

Issue Price 100 per cent.

Yamaichi International (Europe) Limited

J. Henry Schroder Wagg &amp; Co. Limited

Mitsubishi Finance International plc

BHF-BANK

BNP Capital Markets Limited

Credit Lyonnais Securities

Daiwa Europe Limited

Dresdner Bank Aktiengesellschaft

Generale Bank

IBJ International plc

Interallianz Bank Zurich AG

Merrill Lynch International Limited

Morgan Stanley International

Nomura International

Paribas Capital Markets

Sakura Finance International Limited

Swiss Bank Corporation

Swiss Volksbank

UBS Phillips &amp; Drew Securities Limited

S.G. Warburg Securities

This announcement appears as a matter of record only.

New Issue

January 1993



## Nagoya Railroad Co., Ltd.

U.S. \$150,000,000

2 1/2 per cent. Notes 1997

with  
Warrants

to subscribe for shares of common stock of Nagoya Railroad Co., Ltd.

Issue Price 100 per cent.

Yamaichi International (Europe) Limited

IBJ International plc

Tokai Bank Europe Limited

Goldman Sachs International Limited

Daiwa Europe Limited

Nikko Europe Plc

Nomura International

Baring Brothers &amp; Co., Limited

BNP Capital Markets Limited

Chuo Trust International Limited

Credit Suisse First Boston Limited

Deutsche Bank AG London

Robert Fleming &amp; Co. Limited

Fuji International Finance PLC

Kankaku (Europe) Limited

Kleinwort Benson Limited

LTCB International Limited

Maraman Securities (Europe) Limited

Merrill Lynch International Limited

Mitsubishi Trust International Limited

Morgan Stanley International

New Japan Securities Europe Limited

Paribas Capital Markets

J. Henry Schroder Wagg &amp; Co. Limited

Taiheyo Europe Limited

Tokyo Securities Co. (Europe) Limited

UBS Phillips &amp; Drew Securities Limited

S.G. Warburg Securities

Westdeutsche Landesbank Girozentrale

مكتبة الشرح



## AT&T up 15% to \$3.2bn on strong growth in sales

By Martin Dickson  
in New York

AT&T, the US communications and computer group, yesterday reported a 15 per cent increase in underlying net income for 1992, helped by strong fourth-quarter growth in product sales and financial services.

The company reported fourth-quarter net income of \$1bn, or 75 cents a share, on revenues of \$17.5bn, compared with net income of \$855m, or 48 cents, in the same period of last year, on revenues of \$16.46bn.

However, earnings in the 1991 quarter were cut by 14 cents a share because of a reduction in the book value of an Italian investment, against a 3 cents-a-share cut in the latest quarter.

The figures were in line with Wall Street expectations,

which were pitched around earnings of 78 cents a share.

For 1992, net income totalled \$3.6bn, or \$2.86 a share, on revenues of \$64.9bn. That compared with 1991 earnings of \$3.2bn, or 40 cents. However, excluding charges and one-time gains, the underlying 1991 figures were \$3.24bn, or \$2.51, on revenues of \$63.09bn.

AT&T's largest business, telecommunications services, saw long-distance call volumes rise some 5 per cent in the quarter, but revenues were down to \$9.72bn from \$9.79bn. The company said this was due mainly to business customers choosing lower-priced, higher-capacity dedicated lines, as well as adjustments to revenue estimates for previous periods.

On Wednesday, MCI, the second-largest long-distance carrier in the US, reported a 14 per cent increase in fourth-

quarter traffic and a 13 per cent revenue increase.

AT&T's products businesses saw a 20 per cent rise in fourth-quarter revenues, from \$4.4bn to \$5.3bn, led by network switching equipment. Consumer products reported quarterly sales.

NCR, the computer company AT&T acquired in 1991, produced operating income of \$94m (\$76m), on sales of \$2.15bn, up from \$2bn. The latest figures included results from TeraData, which AT&T acquired early in 1992.

The company said NCR continued to report strong orders in the US and Latin America, but other parts of the world remained weak.

Financial services revenues rose from \$420m a year ago to \$577m, thanks to the group's Universal credit card and AT&T Capital Corp.

## Dow Jones rises 6% in fourth quarter

By Karen Zagor in New York

DOW JONES, publisher of the Wall Street Journal, posted a 6 per cent rise in underlying fourth-quarter earnings to \$37.8m from \$35.5m.

Earnings were distorted by charges of \$8m in the quarter which brought reported net income to \$39.8m, or 30 cents a share. A year earlier, net income stood at \$3.5m, or 3 cents, including one-time charges of \$2m.

Revenues rose 4 per cent to \$476.1m from \$456.1m.

For the whole of 1992, Dow Jones recorded net earnings of \$107.6m, or \$1.06 a share, compared with \$72.2m, or 71 cents, in 1991. Revenues advanced 5.4 per cent to \$1.82bn from \$1.71bn.

Results included charges of \$18.8m in 1992 for the adoption of new accounting standards and write-downs. The company had charges of \$32m in 1991.

Dow Jones had forecast 1992 earnings between \$1.03 and \$1.07 a share after charges of \$25m.

Gannett, US publisher of 82 daily newspapers including USA Today, turned in fourth-quarter net income of \$114.2m, or 79 cents, on revenues of \$935.1m. This compares with earnings of \$97m, or 68 cents, on revenues of \$901.2m a year earlier.

For the full year, Gannett had net income of \$199.7m, or \$1.39, including charges of \$146m for the adoption of new accounting standards.

In 1991, Gannett earned \$201.6m, or \$2.01, on revenues of \$3.47bn in 1992 from \$3.38bn.

## UAL after-tax losses rise to \$370m at year-end

By Nikkai Taki  
in New York

UAL, the parent company of United Airlines, yesterday reported an after-tax loss of \$233.9m in the fourth quarter of 1992.

This large deficit in the final three months takes UAL's loss for the year to \$370m, before including charges for accounting-related changes.

The fourth-quarter figure, scored on operating revenues of \$3.2bn, against \$2.91bn, comes after pre-tax charges and expenses of \$62m.

Excluding these items, UAL said the loss would have stood at \$184m.

The full-year loss,

meanwhile, widened to \$556.8m after taking in charges related to the change in the accounting methods for non-pension retirement benefits.

In 1991, the after-tax deficit was \$331.9m. Full-year revenues stood at \$12.9bn in 1992, compared with \$11.7bn in the previous 12 months.

In terms of operating results, UAL saw minimal improvement in final-quarter results - with the operating loss standing at \$326m, compared with \$347.2m in the same period of 1991.

For the year overall, the operating loss widened from \$494.1m to \$537.8m.

UAL's poor fourth-quarter

figures were echoed at Delta Air Lines.

Delta posted a net loss of \$128.3m in the second quarter of its financial year, with a \$187.6m deficit in the same period of 1991. Revenues were \$2.87bn, compared with \$2.63bn.

The operating loss for the period was \$194.9m, against \$236.8m in the same period of 1991.

In the first six months of its current financial year, Delta now shows an after-tax loss of \$233m, compared with a \$174.5m deficit at the same stage a year ago. Six-month revenues stand at \$5.94bn, against \$5.2bn.

## Microsoft to cut some European prices

By Louise Kehoe  
in San Francisco

MICROSOFT, the leading personal computer software company, will make its European pricing more consistent by lowering the prices of some of its PC applications programs in certain countries.

The price changes "will have no material effect on overall sales revenues," said Mr Bernard Vergnes, president of Microsoft Europe. However, prices will fall by 10 to 21 per cent in France, Germany and the Benelux region.

Microsoft also announced a distribution and software licensing programme aimed at boosting its sales to large multinational companies and organisations.

"The large account reseller network is an instrumental building block in Microsoft's long-term plan to make it easier for large organisations to do business with us," said Mr Jeff Raikes, senior vice-president.

Microsoft is setting the stage for an ambitious effort to move beyond its stronghold in the PC software market. Later this year it is expected to introduce a new program, Windows NT, that will control the functions of entire networks of computers.

Separately, Stac Electronics, a California software company, said that it had filed a patent infringement suit against Microsoft.

Sun Microsystems, the US computer workstation manufacturer, reported a steep decline in second quarter earnings as shortages of a new microprocessor chip limited sales of the highest performance version of its new product line.

Net income for the quarter was \$34.3m, or 33 cents a share, down 28 per cent from \$47.4m, or 47 cents, in the same period last year. Revenues rose to \$1.05bn from \$909m.

Sun said the chip supply problem had eased, enabling it to ship the new high-performance workstation in greater volume.

## Dow Chemical deeper in the red

By Alan Friedman  
in New York

DOW CHEMICAL, the second-biggest US chemicals group, yesterday reported a loss of \$250m, or 82 cents a share, in the fourth quarter of 1992, compared with a loss of \$94m in the corresponding period of 1991.

The deficit, which was expected, occurred because of a \$133m charge for plant shut-downs and staff reductions.

Mr Frank Popoff, chairman, described the company's results as "disappointing", although he stressed that progress had been made in restoring US margins.

The US improvement, how-

ever, was more than offset by deteriorating business conditions in Europe, a problem faced by several big US chemicals groups.

Revenues in the fourth quarter of last year were \$4.72bn, up slightly from \$4.56bn last time.

Revenues for the whole of 1992 were \$18.97bn, against \$18.51bn in 1991.

Dow said its operating income declined by 23 per cent in 1992 to \$1.3bn, mainly because of a drop in prices.

For the year to end-December 1992, Dow suffered a net loss of \$498m, or \$1.83, against a net profit of \$835m in 1991.

The loss, however, was due to a \$755m non-cash charge

related to changes in accounting standards.

The chemicals and performance products division had \$279m of operating income in 1992, unchanged on 1991, including the impact of special charges. Plastics saw an 80 per cent decline in 1992 operating income, but the figure was not disclosed. The energy business suffered a \$179m loss in 1992, compared with a loss of \$20m in 1991.

The consumer specialties business had 13 per cent better operating income of \$1.1bn, representing 84 per cent of the entire group's 1992 operating profit.

Dow's share price was 8% lower at \$53 before the close.

## BCE profits record for Canada

By Robert Gibbons  
in Montreal

BCE, Canada's biggest telecommunications group and parent of Northern Telecom, posted record profit of C\$1.4bn (US\$1.06bn), or C\$4.21 a share, for 1992, in spite of the recession and rising long-distance competition.

The profit is the highest posted by a Canadian company. Last year, BCE acquired 20 per cent of the UK's Mercury Communications for nearly C\$1bn.

Mr Raymond Cyr, 59, who since 1987 has led BCE back to its core telecom businesses after several years of disastrous diversification into prop-

erty, energy and financial services, retires on April 1 and will be succeeded by former banker Mr Lynton Wilson, president for two years.

Mr Cyr will remain a director and adviser to Mr Wilson as well as non-executive chairman of Bell Canada, the telephone utility, and several other BCE subsidiaries.

BCE's net profit for the year to December 1992 was C\$1.285bn, or C\$4.21 per share, up 5 per cent from C\$1.235bn, or C\$4.01, in 1991. Revenues rose 4.5 per cent to C\$20.8bn, a new peak.

Fourth-quarter profit was C\$350m, or C\$1.65 a share, up from C\$346m, or C\$1.11, a year earlier on revenues of C\$5.5bn, against

C\$4.9bn. The 1992 period included a C\$95m gain on the sale of TransCanada Pipelines shares.

Bell Canada provided the bulk of BCE's profits. Its 1992 performance improved with sharp gains in efficiency. Its contribution equalled C\$3.03 per BCE share against C\$2.97 in 1991. Operating revenues rose 1.7 per cent.

Northern Telecom contributed C\$1.11 per BCE share in 1992, up from 97 cents in 1991, with a strong fourth quarter.

But Montreal Trustco had a 31 cents-a-share negative impact, against a contribution of 7 cents per BCE share in 1991. Property loans were written down sharply.

## McDonald's earnings at \$228m peak

By Laurie Morse in Chicago

McDONALD'S Corporation, the world's largest hamburger chain, reported record earnings for both the year and fourth quarter, and modest gains in sales, particularly overseas.

For the quarter, net income was \$227.9m, or 61 cents a share, up 14 per cent from \$200.4m, or 54 cents, a year earlier. Sales rose 10 per cent to \$5.7bn from \$5.3bn a year ago. Revenues, which due to franchising agreements are below sales, were \$1.8bn, up 6 per cent from \$1.6bn a year ago.

For the year, McDonald's earned \$858.6m, or \$2.60 per share, up 13 per cent from \$859.6m, or \$2.35 cents, a year ago. Sales for the period were \$21.9bn, compared with \$19.9bn, and revenues were \$7.1bn, up 7 per cent from \$6.7bn.

US sales grew 6 per cent in the year and 9 per cent in the quarter, while overseas sales gains were stronger. Overseas sales were up 17 per cent for the year and 13 per cent for the quarter.

At December 31, 38 per cent of McDonald's sales, 44 per cent of its operating income, and 32 per cent of its restaurants came from outside the US.

McDonald's said improvements in the US were largely due to cuts in operating and development costs, and its value pricing programme. Overseas, expansion and improved operating margins bolstered profits.

## Ex-GM chief to leave board

MR Roger Smith, the controversial former chairman of General Motors, is to resign from the board of the ailing car company in April after 19 years as a director, writes Martin Dickson.

Mr Smith, who retired as GM's chairman in 1990, is rumoured to have been under pressure from fellow directors to step down since many of GM's current financial problems originated during his chairmanship.

## Newmont Mining weaker

NEWMONT Mining, a leading gold-producer based in Denver, Colorado, said lower gold prices weakened its fourth-quarter results, but it still showed a profit, writes Laurie Morse.

Newmont reported fourth-quarter earnings of \$3.9m, or 3 cents a share, down from \$22.7m, or 33 cents, in the corresponding period a year ago. Consolidated fourth-quarter sales were \$140.9m, compared

with \$155.9m in 1991.

For the year, Newmont reported earnings, before a special accounting charge, of \$90.6m, or \$1.30, down from \$94.3m, or \$1.39, in 1991. The company said the earnings decline was directly related to a \$12-per-ounce fall in the average price it received for gold in 1992.

Newmont had consolidated annual sales of \$613.2m, down from \$622.8m in 1991.

## Procter & Gamble up at \$590m

By Nikkai Taki

PROCTER & Gamble, the Cincinnati-based consumer products company, yesterday reported after-tax profits of \$590m in the three months to end-December, up from \$523m in the same period of 1991. Sales rose by 4.4 per cent to \$7.84bn.

P&G suggested that gains had been made on both the international and domestic sides of the business. "Improved margins, unit volume growth and a lower effective tax rate were the major factors contributing to the growth in earnings," it said.

For the first six months of the financial year, after-tax profits stood at \$1.02bn, compared with \$1.06bn in the same period of 1991, on sales of \$15.7bn, against \$14.7bn.

The 1992-3 figure, however, was struck after taking a \$200m reserve related to the September disposal of P&G's fruit juice business.

Warner-Lambert, the US healthcare group, has formed a research based alliance with Jouveinal, a French pharmaceutical company, giving Warner Lambert a 34 per cent interest, Reuters reports.

Warner will have first refusal to Jouveinal's developed compounds outside of France, its overseas departments and territories, French speaking Africa and Canada.

## Changes in accounting cloud Coca-Cola figures

By Nikkai Taki

COCA-COLA, the Atlanta-based soft drinks company, yesterday reported a 9.5 per cent advance in its fourth-quarter profits after-tax, to \$322.8m, on sales 12.7 per cent higher at \$3.24bn.

The group's full-year figures are muddled by the effects of the change in accounting methods for non-pension retirement benefits.

However, before this item, net profits showed a 17.8 per cent improvement, at \$1.91bn; after the accounting-related charge, the advance is reduced to 2.9 per cent, leaving net profits at \$1.66bn. Sales for the full-year were 13 per cent higher at \$13.1bn.

Coca-Cola said that the fourth-quarter volume growth,

which had built progressively throughout the final three months, helped the final quarter's figures.

"It augurs well for 1993 that we ended 1992 with such momentum," Mr Roberto Goizueta, chairman, said.

Coca-Cola said that operating profits from its soft drinks operations within the US advanced by 9 per cent last year. Unit case volume sold to retail bottle/can and fountain customers grew by 2 per cent, and gallon shipments of concentrates and syrups advanced by a similar amount.

On the international side, soft drink operating profit grew 15 per cent, unit case volume sold to retail customers by 4 per cent, and gallon shipments of concentrates and syrups by 3 per cent.

## National Bank acquires trust

By Robert Gibbons

NATIONAL Bank of Canada is buying Gentrust, the trust company and money management operations of General Trustco, a Quebec financial services group, for C\$125m (\$97.5m).

The deal gives National Bank a quick entry into the trust business, including a network of 33 branches. Gentrust, has corporate assets of C\$3.5bn and manages C\$11bn in pension and other investments.

General Trustco of Canada is

majority-held by Industrial Life Group of Quebec City.

Canadian chartered banks, under federal deregulation, can now own trust companies. The Big Six banks are all moving into the trust business by acquisition or by setting up new subsidiaries. NCB is the sixth-largest chartered bank with C\$40bn assets.

NEC also plans to sell its leasing business with nearly C\$1bn assets, to GE Capital, North America's biggest leasing group, and will show a C\$25m gain on the deal.

<b>Daiwa International Finance (Cayman) Limited</b> <b>U.S. \$200,000,000</b> Subordinated Floating Rate Notes due 2001 Guaranteed on a subordinated basis by <b>The Daiwa Bank, Limited</b>	
Interest Period	26th January, 1993 to 26th April, 1993
Number of days	91 days
Interest Rate	3.0125% per annum
Coupon Amount of each Note	U.S. \$12.16
<b>The Daiwa Bank, Limited</b> London Branch as Agent Bank	

<b>US \$204,000,000</b> <b>Republic of Italy Euro</b> <b>Repackaged Assets Limited</b> <b>F.E.R.A.R.I.</b> Floating Euro-dollar Repackaged Assets of the Republic of Italy due 1993	
For the period from January 29, 1993 to April 30, 1993 the Notes will carry an interest rate of 3 1/4% per annum with an interest amount of US \$529.43 per US \$100,000 Note. The relevant interest payment date will be April 30, 1993.	
Agent Bank: <b>Banque Paribas Luxembourg</b> <b>Société Anonyme</b>	

This announcement appears as a matter of record only.

**THE SHIBUSAWA WAREHOUSE CO., LTD.**

**U.S. \$80,000,000**

**2 1/2 per cent. Notes 1997**

with  
**Warrants**

to subscribe for shares of common stock of The Shibusawa Warehouse Co., Ltd.

Issue Price 100 per cent.

<b>Yamaichi International (Europe) Limited</b>	<b>DKB International</b>
<b>Kankaku (Europe) Limited</b>	<b>Nikko Europe Plc</b>
<b>Morgan Stanley International</b>	<b>Asahi Finance (U.K.) Ltd.</b>
<b>Barclays de Zoete Wadd Limited</b>	<b>Credit Suisse First Boston Limited</b>
<b>Deutsche Bank AG London</b>	<b>Robert Fleming &amp; Co. Limited</b>
<b>Goldman Sachs International Limited</b>	<b>IBJ International plc</b>
<b>Marusan Europe Limited</b>	<b>Norinchukin International plc</b>
<b>S.G. Warburg Securities</b>	



## INTERNATIONAL COMPANIES AND FINANCE

## Ercros to dispose of mining unit for Pta6bn

By Tom Burns in Madrid

ERCROS, the chemical group in receivership which is 36 per cent owned by Grupo Torras, the Spanish investment arm of the Kuwait Investment Office, is to sell its Rio Tinto Minera mining unit to Freeport McMoRan, the US minerals group, for Pta6bn (\$44m).

Mr Mahmoud al-Nouri, Torras chairman, said Torras had written off the \$900m it had invested to acquire Ercros in the late 1980's and the KIO did not consider itself to be "involved" in the chemical group.

Meanwhile, the debt-burdened Torrasapapel which is Spain's leading paper producer and is fully-owned by Torras began a series of negotiations with 22 creditor banks aimed at injecting short-term funding into the company.

The banks have recently reduced discount lines totalling Pta19bn to Pta5bn. Mr al-Nouri warned that the banks risked endangering their loans if the negotiations failed. "They should maintain their credit lines and increase them."

Torras is to loan Pta2bn-worth of KIO funds to Torrasapapel, and ICO, Spain's state credit agency, has provided medium and long-term credit lines worth Pta15bn following the presentation of cost-cutting measures by the company. These will reduce its labour force of 8,900 by more than 25 per cent.

Mr al-Nouri said that Torras intended to sell the paper group once it was a viable business.

In another development involving KIO, a boardroom clash looked likely last night at Ebro, Spain's biggest food group, over Torras' plans to sell the 36 per cent stake that it owns in the company.

This disposal is contested by Mr Javier de la Rosa who was owner 12 per cent of the food producer and who resigned as Torras' deputy chairman shortly before Mr al-Nouri was appointed chairman of the holding company in May last year.

## Campbell Soup extends hostile bid for Arnotts

By Kevin Brown in Sydney

CAMPBELL Soup, the US food group, yesterday extended its hostile bid for Arnotts, the Australian biscuit maker, after failing to reach its target of 50.1 per cent of the shares.

Campbell said holders of more than 14 per cent of Arnotts' stock had accepted its A\$9.50-a-share offer, taking the group's shareholding to just over 47 per cent.

Campbell said the bid would remain open until February 5 to allow shareholders who have not accepted the offer to reassess their position. The bid values Arnotts at A\$1.3bn (US\$928m).

"This is our last and final extension and we are confident of continuing support from shareholders," said Mr David Johnson, Campbell's Australian-born chief executive.

Mr Bill Purdy, Arnotts chairman, claimed that some shareholders had been misled by Campbell's earlier statements that the offer would not be extended.

He said the group was considering asking the Australian Securities Commission, the corporate regulator, to force Campbell to allow shareholders to withdraw acceptances.

"We have already been contacted by shareholders who claim that they were misled and wish to withdraw their acceptances," he said.

Arnotts said it had been assured by most members of the founding families, which owned some 26 per cent of the company when the bid was launched, that they would refuse to sell.

Most financial institutions rejected the bid yesterday, including the AMP Society, Australia's largest stock market investor, National Mutual Life and Legal & General of the UK.

Campbell's increased shareholding will enable the group to lift its representation on the Arnotts' board from two to three. However, a 1985 shareholders' agreement between the companies means Campbell must acquire more than 65.1 per cent of Arnotts' shares before it can control the board.

He said the group was considering asking the Australian Securities Commission, the corporate regulator, to force Campbell to allow shareholders to withdraw acceptances.

"We have already been contacted by shareholders who claim that they were misled and wish to withdraw their acceptances," he said.

Arnotts said it had been assured by most members of the founding families, which owned some 26 per cent of the company when the bid was launched, that they would refuse to sell.

Most financial institutions rejected the bid yesterday, including the AMP Society, Australia's largest stock market investor, National Mutual Life and Legal & General of the UK.

Campbell's increased shareholding will enable the group to lift its representation on the Arnotts' board from two to three. However, a 1985 shareholders' agreement between the companies means Campbell must acquire more than 65.1 per cent of Arnotts' shares before it can control the board.

He said the group was considering asking the Australian Securities Commission, the corporate regulator, to force Campbell to allow shareholders to withdraw acceptances.

"We have already been contacted by shareholders who claim that they were misled and wish to withdraw their acceptances," he said.

Arnotts said it had been assured by most members of the founding families, which owned some 26 per cent of the company when the bid was launched, that they would refuse to sell.

Most financial institutions rejected the bid yesterday, including the AMP Society, Australia's largest stock market investor, National Mutual Life and Legal & General of the UK.

Campbell's increased shareholding will enable the group to lift its representation on the Arnotts' board from two to three. However, a 1985 shareholders' agreement between the companies means Campbell must acquire more than 65.1 per cent of Arnotts' shares before it can control the board.

He said the group was considering asking the Australian Securities Commission, the corporate regulator, to force Campbell to allow shareholders to withdraw acceptances.

"We have already been contacted by shareholders who claim that they were misled and wish to withdraw their acceptances," he said.

Arnotts said it had been assured by most members of the founding families, which owned some 26 per cent of the company when the bid was launched, that they would refuse to sell.

Most financial institutions rejected the bid yesterday, including the AMP Society, Australia's largest stock market investor, National Mutual Life and Legal & General of the UK.

Campbell's increased shareholding will enable the group to lift its representation on the Arnotts' board from two to three. However, a 1985 shareholders' agreement between the companies means Campbell must acquire more than 65.1 per cent of Arnotts' shares before it can control the board.

## KHD plans rights issue to pay for restructuring

By Quentin Peel in Cologne

KLOCKNER-Humboldt-Deutz, the German diesel engine and industrial plant manufacturer, yesterday announced plans for a substantial capital increase through a one-for-two rights issue.

The company plans to raise its capital to DM477m (\$318m), an increase of DM159m, with the sale of an additional 3.18m shares.

The issue price will only be fixed on March 1. The issue will be underwritten by a banking consortium, headed by Deutsche Bank, which is a 41 per cent shareholder.

Mr Werner Kirchgässer, the chief executive, said the capital issue had long been planned to underpin the drastic restructuring programme under way at KHD, including a new DM600m diesel engine plant in the Porz district of Cologne.

Although the company has not paid a dividend since 1986, he forecast a good take-up of the shares, which would be competitively priced.

He dismissed market speculation that a recent boost in the company's share price was the result of an unidentified potential takeover.

The company would expect any such buyer first to make an approach for a friendly takeover, he said, and no such approach had been received.

The capital issue would make any such move in the future more difficult.

Mr Kirchgässer said that the company's operating profit for 1992 would be "clearly positive" on the basis of a 10 per cent drop in turnover on 1991. The KHD group had managed to hold its own during the past year, against the background of a depressed world economy: orders were slightly up at DM3.7bn.

The best performance in the group came from the industrial plant division, including cement plants, raw material processing plants, and sewage treatment plants: turnover was up 10 per cent, and orders up 32 per cent on 1991.

## Steel groups hit by fall in demand

By Ariane Genillard in Mulheim and William Dawkins in Paris

TWO big European steel groups - Thyssen and Usinor Sacilor - made results announcements yesterday which underlined the weakness of demand within the industry.

Thyssen, a German industrial and trading group as well as a significant steel producer, reported a 14 per cent fall in sales for the first quarter of this year, as it steel divisions suffered dramatic losses caused by falling demand and low prices.

Incoming orders for the first quarter fell by 15 per cent to DM8.2bn (\$5.4bn).

Mr Heinz Kriwet, president, blamed the setback on the continued decline in the steel side which reported a 16 per cent fall in turnover for the quarter.

Mr Ekkehard Schulz, president of Thyssen Stahl, said he did not expect results in the steel divisions to improve significantly in the second quarter of the year.

Thyssen Stahl recently lost a contract with Opel, the German subsidiary of General Motors, for 30,000 tonnes of steel products to a consortium of steel producers including Klockner, the west German producer, Ecotast of east Germany, Arbet of Luxembourg and Cockerill of Belgium.

For the year ended September 1992, net profits for the Thyssen group tumbled to DM350m from DM520m a year earlier. Sales for the period were 2 per cent lower at DM35.7bn.

The steel divisions lost money last year, but the group's other two main businesses showed improvements.



Francis Mer: losses fell to FF12.4bn last year

Sales for Thyssen Industrie, Bodd, the US subsidiary, and Wulfrather Gruppe climbed by 6 per cent to DM12bn for the year.

Losses at Usinor Sacilor, the French state-owned

steelmaker, last year fell to FF2.4bn (\$452m) from FF3.3bn in 1991, the group estimated yesterday.

The loss, which came on a 10.8 per cent decline in sales to FF36.7bn reflects a continuing decline in steel demand and prices, said Mr Francis Mer, the chairman.

Usinor Sacilor had trimmed output to adjust the fall in demand, but did not expect its result to improve in the first half of this year.

However, it did expect to feel the benefits of price rises for flat steel products from the second quarter of 1993, said Mr Mer.

The group reduced its workforce by just over 7,000 last year to 90,800.

Of this, 4,400 were job losses in France, among the biggest workforce reductions in the French public sector and a serious worry to the government.

## Air France plans tour unit merger

By Alice Rawsthorn in Paris

AIR France, the state-controlled French airline, plans to join forces in the tour operation business with Havas, the French media and leisure group, and TUI, the German travel company.

The merged company, called Jet Tours, will be one of the largest tour operators in Europe.

It will combine SOTAIR, the tour operator currently controlled by Air France with Havas as a minority shareholder, with SFTA, a joint venture between Havas and TUI.

Once the merger, still subject to approval by the three companies' administrative boards and workers' committees, is completed Jet Tours will have an annual turnover of FF3bn (\$566m) and 700,000 clients. Air France will be the majority shareholder, leaving Havas and TUI each with 20 per cent.

Mr Bernard Attali, chairman of Air France, said the new company would have sufficient critical mass to "be able to fight more effectively against the big European tour groups".

Air France, and the two other shareholders, hope to cut administrative costs after the merger and also to use Jet Tours' size to secure better terms from suppliers.

SOTAIR, France's third-largest tour operator, specialises in long-haul destinations, and SFTA, number five in the French market, in medium-haul tours. They already co-operate in certain areas, notably in Atoll, the reservation service that they own jointly.

The merger comes at a time when European tour operators are under intense pressure because of the impact of the economic slowdown and exchange rate fluctuations on the holiday industry.

## Vernes pulls out of talks with Nestlé

By Alice Rawsthorn

MR JEAN-MARC Vernes, the French financier, yesterday announced he had withdrawn from negotiations with Nestlé, the Swiss food group, to buy part of the Vichy mineral water business.

Nestlé was last summer instructed by the European Commission to sell a number of the mineral water brands, including Vichy and Saint Yorre, that it had acquired in

its bruising bid battle for Perrier, one of France's best-known water companies.

Mr Vernes, chairman of the Vernes bank and the SCI investment concern, had been discussing the possible purchase of some of the brands under the Vichy umbrella, together with Mr Raul Gardini, the Italian businessman who is involved with SCI.

However Mr Vernes said in an interview with La Tribune Deslois, the French financial

newspaper, that he had halted the negotiations.

He also indicated that he might be interested in investing in some of the state-controlled companies which may be privatised after the March legislative elections.

Nestlé said yesterday it was continuing discussions with other parties over the sale of Vichy and Saint Yorre, although it stressed the talks were still at a preliminary stage.

## Rhône-Poulenc division lifts profits to \$428m

By William Dawkins

RHÔNE-Poulenc Rorer, the separately stock market listed pharmaceutical division of Rhône-Poulenc, the French chemicals group, yesterday reported a 31 per cent increase in net profits for last year.

The Franco-American group made \$428m last year on sales of \$4.1bn, up from net profits of \$336m on sales of \$3.8bn. Sales rose by an underlying 8.4 per cent, stripping out currency changes and asset sales, while earnings per share rose from \$2.3 to \$3.1.

Mr Robert Cawthorn, group chairman, said earnings growth was faster than the pharmaceutical industry average.

Rhône-Poulenc Rorer had also increased spending on research and development.

Operating profits increased from \$558m to \$675m, while capital gains from asset sales fell to \$23m from \$55m.

CAISSE Nationale de Crédit Agricole has increased its stake in Banco Ambrosiano Veneto to 15.76 per cent, buying a 2.73 per cent stake from Gemina for FF330m, Reuter reports from Paris.

This announcement appears as a matter of record only.

New Issue

January, 1993

## TOBU STORE CO., LTD.

U.S.\$65,000,000

2% PER CENT. GUARANTEED NOTES DUE 1997 WITH WARRANTS

Unconditionally and irrevocably guaranteed as to payment of principal and interest by

The Asahi Bank, Ltd.

ISSUE PRICE 100 PER CENT.

Nikko Europe Plc

Asahi Finance (U.K.) Ltd.

Yamaichi International (Europe) Limited

Baring Brothers &amp; Co., Limited

Goldman Sachs International Limited

Morgan Stanley International

Barclays de Zoete Wedd Limited

Dresdner Bank Aktiengesellschaft

Robert Fleming &amp; Co. Limited

Mitsubishi Finance International plc

Mitsui Trust International Limited

NM Rothschild &amp; Sons Limited

J. Henry Schroder Wagg &amp; Co. Limited

Smith New Court Securities Limited

Tokyo Securities Co. (Europe) Limited

Swiss Volksbank



Republic of Italy

ECU1,000,000,000  
Floating rate notes due 2005

Notice is hereby given that the notes will bear interest at 9.53125% per annum from 29 January 1993 to 30 April 1993. Interest payable on 30 April 1993 will amount to ECU120.46 per ECU100,000 note and ECU1,204.64 per ECU1,000,000 note and ECU12,046.44 per ECU10,000,000 note.

Agent: Morgan Guaranty Trust Company  
JPMorgan



European Investment Bank

US\$250,000,000  
Floating rate notes due January 2003

Notice is hereby given that the notes will bear interest at 5% per annum from 29 January 1993 to 30 July 1993. Interest payable on 30 July 1993 will amount to US\$126.39 per US\$100,000 note and US\$1,263.90 per US\$1,000,000 note.

Agent: Morgan Guaranty Trust Company  
JPMorgan



The Kingdom of Belgium

US\$400,000,000  
Floating rate notes due 1996

In accordance with the provisions of the notes, notice is hereby given that for the interest period from 29 January 1993 to 30 July 1993 the rate of interest on the notes will be 3.3125% per annum. The interest payable on the relevant payment date, 30 July 1993 will be US\$4,186.63 per US\$250,000 note.

Agent: Morgan Guaranty Trust Company  
JPMorgan



BANKAMERICA CORPORATION

Dutch Guilders 250,000,000  
Floating Rate Notes 1995 due 1996  
(originally issued by) Security Pacific Corporation

In accordance with the terms and conditions of the Notes, notice is hereby given that for the interest period from January 29, 1993 to July 30, 1993 the rate of interest has been fixed at 8 per cent and that the interest payable on the relevant interest payment date, July 30, 1993 against Coupon No. 15 in respect of the 60,000 nominal of the Notes will be Nlg 2,022.22 and in respect of Nlg 100,000 nominal of the Notes will be Nlg 4,044.44.

Agent: JPMorgan Bank N.Y.  
Agent Bank



U.S. \$70,000,000  
Autopista Vasco-Aragonesa, Concesionaria Española, S.A.  
Guaranteed Floating Rate Notes due 1995

Unconditionally Guaranteed by The Kingdom of Spain

Notice is hereby given that for the six months interest period from January 29, 1993 to July 29, 1993 the Notes will carry an interest rate of 5.5625% per annum. The interest payable on the relevant interest payment date, July 29, 1993 against Coupon No. 16 will be U.S. \$179.11 and U.S. \$4,777.88 respectively for Notes in denominations of U.S. \$10,000 and U.S. \$250,000.

By: The Chase Manhattan Bank, N.A.  
London, Agent Bank  
January 29, 1993



U.S. \$350,000,000

Subordinated Floating Rate Notes Due November 27, 2005  
Notice is hereby given that the Rate of Interest has been fixed at 5% in respect of the Original Notes and 5.0875% in respect of the Enhancement Notes, and that the interest payable on the relevant interest payment date February 26, 1993 against Coupon No. 87 in respect of US\$1,000,000 nominal of the Notes will be US\$38.89 in respect of the Original Notes and US\$39.57 in respect of the Enhancement Notes.

U.S. \$500,000,000  
Subordinated Floating Rate Notes Due October 25, 2005  
Notice is hereby given that the Rate of Interest has been fixed at 5% and that the interest payable on the relevant interest payment date February 26, 1993 against Coupon No. 88 in respect of US\$1,000,000 nominal of the Notes will be US\$38.89.

U.S. \$500,000,000  
Subordinated Floating Rate Notes Due January 30, 1998  
Notice is hereby given that the Rate of Interest has been fixed at 5% and that the interest payable on the relevant interest payment date February 26, 1993 against Coupon No. 85 in respect of US\$1,000,000 nominal of the Notes will be US\$38.89.

January 29, 1993  
By: Citibank, N.A. (Issuer Services), Agent Bank

CITIBANK



CHASE MANHATTAN OVERSEAS BANKING CORPORATION  
US\$150,000,000  
Floating rate notes due 1993

For the six months 29 January 1993 to 30 July 1993 the rate of interest has been fixed at 5.25%. Interest payable on the relevant interest payment date, 30 July 1993 against Coupon No. 30 will be US\$26.54.

Agent: Morgan Guaranty Trust Company  
JPMorgan

By: The Chase Manhattan Bank, N.A.  
London, Agent Bank  
January 29, 1993



Wells Fargo &amp; Company

US\$200,000,000  
Floating rate subordinated notes due 2000

In accordance with the provisions of the notes, notice is hereby given that for the interest period 29 January 1993 to 26 February 1993 the notes will carry an interest rate of 5.25% per annum. Interest payable on the relevant interest payment date 26 February 1993 will amount to US\$40.83 per US\$10,000 note and US\$204.15 per US\$200,000 note.

Agent: Morgan Guaranty Trust Company  
JPMorgan

By: The Chase Manhattan Bank, N.A.  
London, Agent Bank  
January 29, 1993



CHASE

U.S. \$100,000,000  
Allied Irish Banks Plc  
Subordinated Primary Capital Perpetual Floating Rate Notes

Notice is hereby given that for the three months interest period from January 29, 1993 to April 30, 1993 the Notes will carry an interest rate of 9.75% per annum. The interest payable on the relevant interest payment date April 30, 1993 against Coupon No. 31 will be U.S. \$96.37 and U.S. \$2,409.29 respectively for Notes in denominations of U.S. \$10,000 and U.S. \$250,000. The sum of U.S. \$96.37 will be payable per \$10,000 principal amount of Registered Notes.

By: The Chase Manhattan Bank, N.A.  
London, Agent Bank  
January 29, 1993



CHASE

U.S. \$300,000,000  
Canadian Imperial Bank of Commerce  
(A Canadian Chartered Bank)  
Floating Rate Debenture Notes due 2084

Notice is hereby given that for the six months interest period from January 29, 1993 to July 30, 1993 the Debenture Notes will carry an interest rate of 3.6875% per annum. The interest payable on the relevant interest payment date, July 30, 1993 against Coupon No. 16 will be U.S. \$186.42 and U.S. \$4,660.50 respectively for Debenture Notes in denominations of U.S. \$10,000 and U.S. \$250,000.

By: The Chase Manhattan Bank, N.A.  
London, Agent Bank  
January 29, 1993



CHASE







# MFI shows 33% fall as sales slip

By Jane Fuller

NEWS OF a disappointing start to the post-Christmas sales at MFI Furniture Group yesterday marred its first results to be announced since last July's flotation.

Mr Derek Hunt, chairman and chief executive, gave a downbeat assessment of current trading alongside the announcement of a 33 per cent fall in pro forma pre-tax profit, from £19m to £12.7m, in the 26 weeks to November 7.

"I'm disappointed with these results, but they should be viewed in the context of hostile economic conditions, in particular in the housing market," he said.

Turnover slipped from £231.6m to £203.5m. Pro forma operating profit was 30 per cent down at £19.4m, before a £1.9m charge for closing some dealerships. The figures were at the bottom end of expectations.

Profit forecasts for the year to April, which had been pushing £80m at the time of flotation, were downgraded again yesterday to about £45m. One analyst said this marked the difference between earlier hopes of a 5 per cent rise in sales this year and the latest projection of a 5 per cent decline.

Mr Hunt said turnover was down in the first five weeks of the 10-week sale period, which accounted for about 30 per cent of the annual total. The outcome was, however, being compared with a strong January sale last year.

He also pointed out that slower sales of the large-ticket kitchen and bedroom furniture, which tended to be made in-house, meant that margins had been depressed. Beds, upholstery and cheaper goods had shown some growth.

Like other retailers, MFI experienced an immediate drop in sales after the mid-September sterling crisis.

The flotation enabled most of the £500m debt left over from the 1987 management buy-out to be repaid. Net debt stood at about £38m in November for gearing of 78 per cent.

This greatly reduced interest payments. In the first half of last year they amounted to £35.5m, the actual amount paid this time was £18.3m and the pro forma figure - assuming the flotation had happened before the period - was £24.4m.

Actual pre-tax loss was £12m. Interest costs, an £11m flotation-related management bonus and £2.2m bank fees accounted for the near £35m difference between the actual loss and pro forma profit.



Derek Hunt: results should be viewed in the context of hostile economic conditions.

Mr Hunt said that with no sign of recovery, the emphasis remained on cost-cutting. The abandonment of regular Sunday opening and the shedding of nearly 400 jobs would cut payroll costs. The group, which has 175 stores in the UK, was also letting out surplus retail

space and shrinking its warehouse. Progress had been made in France where the plan was to increase the number of stores from 32 to 50.

MFI's share price shed 7p yesterday to close at 125p, compared with the flotation price of 115p, when the market was much softer. Its present £74m market value compares with £718m for the buy-out.

## Misys sharply up at £6.76m

By Paul Taylor

MISYS, the computer services group, yesterday reported sharply higher interim profits, partly reflecting the performance of recent acquisitions but underpinned by strong organic growth. The dividend is being raised by 15 per cent.

Pre-tax profits improved 88 per cent from £3.5m to £6.76m in the six months to November 30. The increase included £1.53m of profits from new acquisitions together with £208,000 (£130,000) of net interest. Group turnover increased by 38 per cent to £41.1m (£32.3m), including £8.32m attributable to acquisitions.

Earnings per share grew by 70 per cent to 11.9p (7p), out of which an increased dividend of 2.61p (2.37p) per share is being paid.

Mr Kevin Lomax, chairman, said that established businesses provided the larger part

of the earnings growth. "Their stronger sales performance, together with further reductions in working capital and overheads, underpinned this advance."

However, he also noted that the performance of the acquisitions made during the last calendar year had been "most encouraging", with all contributing to the earnings gain.

The financial services division, which now includes the Countrywide businesses acquired in June, led the advance with record profits in all the divisional companies.

Turnover increased to £24.2m (£18.1m) while profits on ordinary activities before taxation grew to £4.03m (£1.82m). Mr Lomax noted that Countrywide's contribution was "significantly ahead of expectations."

Mr Lomax said the strong sales improvement in a number of the established busi-

nesses resulted largely from increased market share and the impact of new products.

### COMMENT

Misys' results were slightly ahead of expectations, mainly because of the particularly strong performance of the Countrywide purchases, and the shares jumped 49p to 435p.

But even if acquisitions are excluded, profits advanced by 38 per cent. Meanwhile despite the £3.5m spent on acquisitions cash balances improved again during the first half to £12.4m from £9.9m at the end of last year.

Given that most of the gains so far have come from increasing market share and new products, any more general upturn in demand would boost profits considerably. But even without this Misys looks on target to generate £19m of pre-tax profits and earnings of 23.6p. On a prospective p/e of 15.3p this stock is still a buy.

## Unitech hit by low Japanese contribution

By Jane Fuller

A SHARP drop in the contribution from a Japanese business reduced interim pre-tax profit at Unitech, the electronic components group, by 42 per cent from £7.8m to £4.55m.

Unitech's main Japanese interest is its 50.6 stake in Nemic-Lambda, a power supplies company floated on Tokyo's over-the-counter market in 1991.

Mr Peter Curry, group chairman, said Nemic's sales had dropped by 30 per cent between the second and third quarters of last year and stayed at that low level. As a result its pre-tax profit contribution had fallen from £2.9m to £1.25m.

Overall, group turnover slipped to £117.2m (£131.1m) in the six months to November 30, although the majority of the decline reflected discontinued activities.

Operating profit in the continuing power supplies, connectors and control products businesses fell 39 per cent to £5.46m. Nearly £1m less was paid in interest charges, which totalled £1.99m.

The group is 55 per cent owned by two Swiss companies: Elektrowatt, an industrial group which has two seats on Unitech's board, and Saurer Gruppe, vehicle of the finan-

cier Mr Tito Tettamanti, which has no representation. In 1990, soon after the two came in, Unitech's share price rose to nearly 400p. Yesterday it closed at 187p - up 2p.

Mr Curry, who founded the group in 1983, said that leaving aside Nemic, profits had increased from £1.9m to £3.3m.

The main areas of improvement were North America, which accounted for 30 per cent of sales, and the UK and Germany.

In the US, economic recovery and increased exports had enhanced the figures. In the UK, a range of power modules launched two years ago had proved a success. Control products subsidiaries in these two countries had also done well.

Mr Curry said the biggest second-half question was what improvement could be achieved in Japan after some cost-cutting.

Net debt had increased by £18.5m to about £50m since the end of last year, the bulk of which was accounted for by exchange rate movements. Gearing of 57 per cent was, however, an improvement on the 77 per cent prevailing in November 1991.

The interim dividend was held at 2.1p. Earnings per share, slipped to 3.4p (4p).

## Cunard in marketing deal

CUNARD, the shipping subsidiary of Trafalgar House, yesterday announced a 10-year joint marketing venture with the £500m group, owner of the Crown Cruise Line.

Cunard will market three of Effjohn's vessels under the name of Cunard Crown. Effjohn, whose parent company is listed on the Helsinki stock exchange, will continue to operate the vessels, although they will carry the red Cunard funnel.

Two of the ships currently operate in the Caribbean. The third, which should enter service in July, will be based in

the Far East. Two Cunard ships, the Cunard Countess and Cunard Princess, will also operate under the Cunard Crown name.

The agreement will increase the number of berths marketed by Cunard by 40 per cent to over 7,000. Cunard will receive an annual marketing fee, thought to be about £3m, and a performance-based bonus.

Trafalgar House has sold 14 acres of freehold land at its 350-acre Brooklands business park in Surrey to Procter & Gamble for its health and beauty care division. Terms were not disclosed.

## Airtours running out of steam - Owners

By Richard Gourlay

OWNERS ABROAD, which is fighting a £221m hostile part paper bid from Airtours, yesterday said its rival's tour operating business was running out of steam and that its offer grossly undervalued the group's prospects.

Mr Howard Klein, Owners Abroad chairman, said shareholders should reject the Airtours offer which represented an exit multiple of 11.7 times earnings per share in the year to October, a 40 per cent discount to the FTA All Share Index.

Launching its formal defence, Owners Abroad executives predicted Airtours would lose money on its current airline fleet. Airtours already had the wrong aircraft for charter airlines and would end up, after a merger, with a fleet consisting of three different types that would be difficult to manage, said Mr Errol Cossey, airline director.

Integrating Owners Abroad's tour operations with Airtours' would also be difficult for a management that by then would be running a business with sales of £1.6bn, four times larger than they were at the end of last year.

The company would inevitably become vulnerable to an attack from Thomson, the market leader. "They (Thomson) would hit hard and tame us," said Mr Klein, who is chairman of the Airtours management were all over the place," said Mr Dermot Blaisland, head of Owners Abroad's tour operations.

Mr David Crossland, Airtours chairman, said Owners Abroad's defence "promises little more than jam tomorrow" and refuted the claims that his business was running out of steam.

Mr Klein said the Airtours bid had all the hallmarks of an offer that had been hastily pulled together after Owners Abroad announced in December a tie-up with Thomas Cook and LTT, the German tour operator.

Airtours was paying a "very large fee" to its advisers, Barclays de Zoete Wedd, for a bid from a man (Mr Crossland) who owned a large stake in Airtours, and "clearly wants to be number one in the industry."

If shareholders accepted the Airtours offer - only part of which is available in cash - they would receive only diluted benefits from synergies Airtours says will arise from a merger.

## Proteus loss marginally higher at £1.2m

Proteus, the USM-quoted company which uses computers to model molecules for drug design, yesterday announced continuing losses but steady progress on its research projects.

Pre-tax losses of £1.2m in the six months to September 30 compared a deficit of £1.1m last time. There was no revenue from sales as research projects remain at the research stage.

Cash on deposit stood at £3.6m at the end of December, following last May's £12.2m rights issue. This lifted net interest received from £89,000 to £216,000.

The company's shares fell 8p to 471p

## Stakis calls for £28m and sells its nursing homes

By James Buxton, Scottish Correspondent

STAKIS emerged from convalescence yesterday by selling its nursing homes side for £28m cash and launching a £28m 1-for-3 rights issue. It will now concentrate on hotels and casinos, where, it says, performance is improving.

Stakis made a pre-tax profit of £305,000 in the year ended September 1992, compared with a loss of £47.4m of which £43.6m were exceptional.

The sale of the nursing homes and the rights issue will cut Stakis's debt from £197m to below £120m and enable the company to pay off 12 of its lending banks and agree a two-year facility with the remaining nine, replacing a standstill arrangement.

Sir Lewis Robertson, who came in as chairman in early 1991 when the problems of the over-extended company became critical, said the company had made a "substantial move towards normal banking relationships." Stakis's future was now, "much more firmly assured with its senior direction fully settled."

Ashbourne Homes, which operates 18 upmarket nursing homes, has been sold to a syndicate led by the Electra Private Equity Partners fund, which raised £466m in 1990 to invest in private equity. The fund includes the quoted Electra Investment Trust. In addition to the £50m purchase price the investors will provide a further £2m available to fund development.

Along with Electra in supplying the £38m equity components of the deal are Prudential Venture Managers, Causeway Capital and Schroder Ventures. Senior debt comes from the Bank of Scot-

land, Midland Bank and St. Mr David Symondson of Electra Kingsway, which arranged the deal, said it had originally discussed a joint venture with Stakis. Ashbourne might eventually be floated on the Stock Exchange.

Stakis decided to sell Ashbourne Homes, which made an operating profit of £3.4m (£2m), because of the future burden of developing its 21 sites for new homes, as well as the high cost of maintaining the sites.

Mr David Michels, Stakis's chief executive, said that developing the sites would have cost Stakis about £70m when it wanted to do other things. Stakis is taking an extraordinary loss on the sale of £47.7m.

There was a recent improvement in casinos which earlier in the year suffered from the effect on spending of recession. Operating profit was virtually unchanged at £6.6m (£6.5m). Operating margins on the 30 hotels had improved and the division made operating profits of £13.84m (£7.15m).

Turnover from the continuing hotel and casino businesses was £124.1m last year (£128.6m). Including discontinued businesses, group turnover was £154.1m (£171.4m).

Sir Lewis has no intention of retiring as chairman and his contract runs until next year. He could eventually be succeeded by Mr Richard Cole-Hamilton, former chief executive of Clydesdale Bank, who joined the board last month.

The rights issue involves one new share for every three existing held on January 18 at 33p per share.

Stakis passed its interim dividend but is paying a final dividend of 0.45p (0.9p). Earnings were 0.15p (losses 16.74p). Stakis shares rose 4p to 45p.

See Lex

## City Site portfolio falls 11%

By Vanessa Houlder, Property Correspondent

CITY SITE Estates, a property company, yesterday announced that its pre-tax losses had increased from £3.37m to £17.97m for the year ended September 1992, which it described as "the most difficult year in the company's history". The share price dropped from 24p to 13p.

The value of its property portfolio fell by 11 per cent to £113.8m, particularly as a result of a decline in property values in London.

Property write-downs of £16.3m, together with a £3.02m write-off of goodwill arising from the consolidation of Viking Property Group, led to an £18.3m exceptional item.

Pre-tax profits before exceptional items stood at £358,000 compared with a £1.6m loss the previous year.

The company is unable to pay preference dividends as a result of the effect of this loss on its distributable reserves. It will apply to the Courts to release the share premium account which will reduce the revenue reserve deficit to £24.25m.

Losses per share worked through at 11.9p (23p).

Basic net assets per share fell from 122p to 9p and fully diluted from 174p to 109p.

## Warner Estates dips to £7.48m

By Matthew Curtin

WARNER Estates Holdings, the property investment group, saw pre-tax profits dip slightly from £7.64m to £7.48m in the year ended September 30 1992.

Turnover improved 19 per cent to £12.3m (£10.3m). Although rental income was unchanged at £8.2m, revenue from property trading jumped from £147,000 to £17.7m, thanks to the sale of a large property in the Midlands.

However, increased costs led to lower overall operating profits of £6.19m (£6.47m).

Mr David Veaser, finance director, said the residential and retail markets, to which the group was mainly exposed, were likely to react first to any recovery in the property market.

Earnings per share were 11.15p, against 10.8p. The final dividend is 7p (6.75p) to make a total of 10.8p (10p).

## Farepak falls deeper into the red at £0.97m

By Gary Mead, Marketing Correspondent

FAREPak, the USM-quoted Christmas food hamper and meat processing group, reported an increased seasonal pre-tax loss of £985,000 for the six months to October 31 1992 against £813,000 last time.

However, the group is confident of strong growth in the full year and is increasing its interim dividend 13.5 per cent from 1.45p to 1.65p.

Turnover expanded to £11.4m (£10.46m) and Farepak's agency network - through which it sells its hampers - increased last year by 13 per cent, to 55,000.

The average sale per agent was up by 5 per cent and the number of hampers sold last Christmas was 800,000, an increase of 9 per cent over the previous year.

Analysts are looking for pre-tax profits of about £5.4m for the full year, up from £4.8m last time.

## Control Securities nearly ready with business plan

By Maggie Urry

CONTROL Securities, the property, hotels, pubs and brewing group in negotiations with its banks and creditors over refinancing, hopes to present a plan to shareholders within "the next few weeks" the annual meeting was told yesterday.

Mr Sydney Robin, chairman, said the timing of the meeting - held in respect of the year to March 31 - was not ideal but unavoidable. He said the group was in "what I hope are the last stages of long and difficult negotiations" and he could not answer questions which might jeopardise the success of the talks.

He said "provided the final discussions go well, I will be calling another meeting in the near future". He also told shareholders that borrowings had been reduced "by quite a considerable amount" and the process was continuing.

The meeting approved all resolutions including one waiv-

ing the company's borrowing limits. Mr Robin said that if the resolution was defeated the group would have to cease trading.

Its shares have been suspended since October 1991, and it is hoped trading will resume once a package has been put to shareholders.

The business plan will include asset sales and Mr Robin said: "I continue to believe that better values are available outside receivership".

One shareholder, who worked for a Swiss investment group, asked about the recent sale of the group's stake in Stylo at 90p a share. He said his firm would have been interested in buying the shares and could have paid a higher price.

The company is instituting an investigation after another investor asked questions which revealed that he had obtained confidential information about management and staff salaries.

See Observer

## NOTICE TO THE HOLDERS OF WARRANTS TO SUBSCRIBE FOR SHARES OF COMMON STOCK OF NAGOYA RAILROAD CO., LTD.

(the "Company")  
Issued in conjunction with  
U.S. \$200,000,000 4 1/2% per cent.  
Notes 1993  
(the "U.S. \$ Notes 1993")

Pursuant to Clause 4(C) of the Instrument dated 23rd June, 1989 under which the above described Warrants were issued and Condition 11 of the Terms and Conditions of the Warrants, we hereby notify as follows:

1. On 28th January, 1993, the Company issued U.S.\$150,000,000 2 1/2% per cent. Notes 1997 with Warrants to subscribe for shares of common stock of the Company (the "Shares") at the price of Yen 457 per Share, being less than the current market price (as defined in Clause 3 of the Instrument) of the Shares.

2. Accordingly, the subscription price at which the Shares are issuable upon exercise of the above mentioned Warrants will be adjusted pursuant to Clause 3 of the Instrument and Condition 7 of the Terms and Conditions of the Warrants, effective as of 29th January, 1993 (Tokyo Time) as follows:

Subscription Price before adjustment: Yen 1284.5  
Subscription Price after adjustment: Yen 1279.0

NAGOYA RAILROAD CO., LTD.

2-4, Meieki 1-chome, Nakamura-ku, Nagoya, Japan  
By: The Industrial Bank of Japan Trust Company  
as Disbursement Agent

Dated: 29th January, 1993.

## Delaney calls halt to dealings

DELANEY Group, the loss-making furniture manufacturer and shopfitter, yesterday called a halt to dealings in the company's shares pending an announcement.

The shares were suspended at 9p - the high for 1992-93. In October the company announced a reduced pre-tax loss of £495,000 (£546,000), for the first half of 1992 on a turnover of £12m (£11.2m). At that time Mr Nathu Puri, chairman, said that the outlook for the economy was a deteriorating one.

The shares were suspended at 9p - the high for 1992-93. In October the company announced a reduced pre-tax loss of £495,000 (£546,000), for the first half of 1992 on a turnover of £12m (£11.2m). At that time Mr Nathu Puri, chairman, said that the outlook for the economy was a deteriorating one.

## Cardiff Property suffers write-downs

After a significant write-down in the value of properties, Cardiff Property has turned in a loss of £921,000 for the year ended September 30 1992.

That compared with a profit of £109,000, restated in accordance with the new treatment of extraordinary items.

Gross rental income rose to £601,000 (£559,000) and a fur-

ther increase was expected for the current year. There was an exceptional charge of £940,000 (credit £19,000), including the write-down.

Losses per share were 35.7p, against earnings of 3.4p. The dividend is held at 2.4p with an unchanged final of 1.55p.

Consolidated results will show turnover of £615,000 (£791,000) and pre-tax loss £918,000 (profit £265,000).

## Gresham Telecom achieves £767,000

In its first full year since the merger of Gresham with Telecomputing, Gresham Telecom, the USM-quoted software and computer broking group, achieved pre-tax profits of £767,000.

The result, for the year ended October 1992, compared with £355,000 for the combined results of Gresham Telecom and Telecomputing for the previous 13 months and of Gresham Computer Holdings and its subsidiaries for the 6 1/2 months since acquisition.

Turnover amounted to £7.25m (£5.3m) and the pre-tax result was after an exceptional £236,000 relating to the release of provisions against licences purchased and the release of

excess provisions for 1991 prior year adjustment.

Earnings were 1.94p (1p) and there is a proposed single final dividend of 0.25p (0.22p).

## Prism shares rise on profits surge

Shares of Prism Leisure Corporation, the USM-quoted music and games group, rose 12p to 75p yesterday on news of a 28 per cent rise in pre-tax profits to £478,000 for the 26 weeks ended September 27.

Turnover improved from £5.83m to £6.07m. Earnings rose 0.8p to 3.8p and the interim dividend is being lifted from an adjusted 0.75p to 0.9p.

At period end cash reserves were in excess of £1m.

## Jurys Hotel slightly ahead at £2.15m

Jurys Hotel Group reported pre-tax profits slightly ahead at £2.15m (£2.36m) in the six months to October 31, against £2.07m. The Dublin-based company said that the period had started well but there were increased difficulties in the later months.

Turnover was £14.5m (£14.2m). Earnings per share were 7.6p (7.3p) and the interim

dividend is unchanged at 2p.

## Sun Life shows fall in new business

Sun Life, the life assurance company in which Transatlantic Holdings has a 50 per cent stake, suffered a slight fall in new business last year.

Using the recognised yardstick of total regular premium business plus 10 per cent of

single premiums, volume declined from £228.2m to £227.7m.

Total annual premiums fell from £38m to £35.6m, but single premiums rose by 3 per cent to £409.6m, and single premium life business grew 5 per cent to £366.7m, mainly on the back of single-premium unit-linked bond sales.

Income from the business expansion scheme more than halved, from £66.9m to £30.8m.

### DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding dividend	Total last year	Total this year
AS Consulting	0.31	Apr 13	2.2	-	4.3



## LBC saved but Crown goes into receivership

By Raymond Snoddy

THE FUTURE of LBC, London talk radio station, has been secured for the rest of its franchise period, but its parent Crown Communications has gone into receivership with debts of £18m.

LBC has floated clear of the wreckage and effective control has passed to Chelverton Investments whose main shareholders are Mr Matthew Cartisser and Mr John Porter. Mr Porter is the son of Dame Shirley Porter, the controversial Conservative politician and Sir Leslie Porter, the former president of Tesco.

The deal values LBC at £14m and a total of £7m new capital will be injected. Chelverton, which will invest a total of £2.5m - £500,000 now and £2m if LBC regains its franchise - will have 49 per cent of the equity with an option to go to 51 per cent.

Much of the remaining equity is held by Crown's bankers ANZ and the Bank of Scotland in exchange for debt.

For the first time since it can offer LBC security for the future. We will keep LBC on the air and successfully regain its franchise," Mr Porter said after months of negotiations finally ended in a deal.

The London commercial speech franchise is expected to be advertised within the next couple of months by the Radio Authority. The current franchise runs out at the end of 1994.



Christopher Chataway, LBC chairman for the immediate future

Neither LBC nor Independent Radio Sales, another Crown subsidiary, are in receivership.

The end of the road for Crown was triggered by the decision of the CSA, the French broadcasting authority, to block the sale of its French radio station RFM in a deal that would have been worth around £3m.

In the absence of a sale to a

consortium that included another French radio group, NBJ, Crown's banks decided they could no longer support the group.

Administrators from Arthur Andersen were called in at 10pm on Wednesday. The joint administrators Mr Murdoch McKillop and Mr Martin Fishman said they would be meeting with all parties as soon as possible.

It is thought unlikely that Crown will survive as an entity and that instead the remaining businesses such as IRS and Business Information which produces corporate videos will be sold.

Mr Christopher Chataway, the Crown chairman who is also chairman of the Civil Aviation Authority, is expected to remain chairman of LBC for the immediate future and Mr Charlie Cox will remain station manager.

It is less clear how long Mr David Haynes will stay on as chief executive. That could depend on what view is taken of the criticisms made by the CSA on how Crown had behaved in France.

Less than three years ago Crown was trading at 250p. When the share price was suspended last year pending the LBC deal it stood at 8p.

The company was hit by the result of three expansionist moves - the acquisition of RFM, the splitting of its frequencies to create two services and a move to new headquarters in west London.

## Watson pays £21m for Circle K stores

By Matthew Curtis

WATSON & Philip, the Dundee-based wholesale and retail food group, is buying Rensig Holdings, the holding company for Circle K, a privately-owned convenience store business, for £21m.

The shares jumped 30p to 333p on announcement of the deal which entrenches W&P's position in the lucrative convenience store market.

The group will issue 4.4m shares to Circle K and pay £7.65m in cash.

Mr Ian Macpherson, chairman, said the acquisition was "an exciting extension of W&P's business into the growing convenience store market". Mr David Liddle, managing director of Circle K, was not available for comment.

Mr Macpherson said that, since acquiring Amalgamated Foods for £35.5m in April 1991, W&P had been looking for ways of achieving sustainable growth. Market research it commissioned showed that the convenience store sector was an area of real growth potential.

The group had been expanding its network of stores only in "ones and twos", but the Circle K deal had increased its stores from 100 to 300 in England and Scotland.

W&P's core business was wholesale delivery of food to shops it did not own. It would benefit from economies of scale and access, for the first time, to franchising and forecourt stores, increasingly common at petrol stations.

Mr Macpherson noted recent research showed discount food retailers had doubled yearly sales to £10bn in the past decade, while sales of goods at petrol forecourt shops rose by 10 per cent in 1992 to about £1.7bn.

W&P would also benefit from Circle K's modern retail computer system, based on electronic point of sale systems used by supermarkets but tailored to convenience stores' needs.

About a fifth of the W&P's pre-tax profits, which fell to £10.3m (£11.6m) in the 53 weeks to October 30 1992, derived from retail stores, but that share would increase to 35 per cent. Circle K would be run initially as an autonomous business alongside W&P's cash and carry, catering services, retail stores, and retail service divisions.

Circle K management accounts show pre-tax profits of £1.8m for the eight months to November 28 last year, compared with £1m (£832,000) on sales of £125m (£128m) in the year to March 29. W&P will assume its net borrowings of £3.3m, but benefit from £34m in unused tax losses.

In March 1991, management at Circle K staged a buy-out of the company from owners Circle K Corporation of the US and News International, Mr Rupert Murdoch's media group. Circle K Corporation, which owns 8,400 stores in 32 states, has traded under Chapter 11 bankruptcy protection since 1990.

AB Consulting, the engineering consultancy, blamed the recession in the construction industry for a fall into pre-tax losses of £248,000 in the six months to October 31. There were profits of £327,000 last year.

The company, however, said that it expected to be back in profit in the last quarter of the current year following cuts in staff and overheads last October and November.

Turnover improved to £6.29m (£5.36m) helped by the acquisition of Brian Ford Partnership.

Losses per share came out at 5.4p (earnings 2.7p). The interim dividend has been cut from 2.2p to 0.2p.

## Running fast but still fourth

Maggie Urry reports on Asda's continuing programme for recovery

THE MARKET'S reaction to Asda's rights issue yesterday, pushing the shares up 34p to 874p, shows how far the food retailer has come in a short time.

When the previous chairman and chief executive, Mr John Hardman, left the company in the summer of 1991, many thought that the only hope for the group was a takeover. And few could think who the saviour might be given the depth of the problems.

Yet now stockbrokers are pushing up profit forecasts and looking for the shares to rise yet further.

To be fair, the shares are still below the level they stood at when Mr Hardman left. So the new management team, headed by Mr Patrick Gillan and Mr Archie Norman, has more to do.

However, shareholders who took up the last rights in October 1991 - a 5-for-10 issue at 35p - or who bought the shares when they touched 23p last August, are feeling pleased with themselves.

Unlike the last issue, which came close to flopping, yesterday's 3-for-10 offer at 65p a share seems likely to be taken up enthusiastically.

The two issues, plus asset sales, will have cut group debt from more than £200m when Mr Hardman left to about £100m net. Borrowings currently stand at £44.5m.

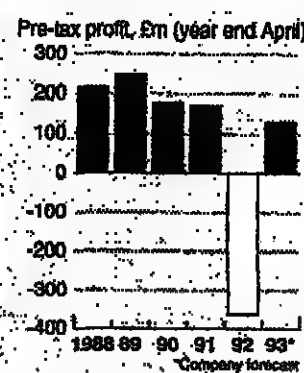
That answers one of Asda's problems, the need to rebuild the balance sheet. It was severely strained in 1989 when Asda bought 80 Gateway stores from Icoscoles, the group which took Gateway over in a leveraged deal, for £706m. According to Mr Norman the final cost of that acquisition, which he said should never have been made, will approach £1bn after adding the costs of integration and refurbishment.

The next problem is how to use balance sheet strength to address the trading problems. At first, Mr Norman admitted, the cash would be gathering

### Asda Group



Share price (pence)



Pre-tax profit, £m (year and April)

Archie Norman, chief executive

Interest awaiting future spending

"We can finance [capital spending] this year and next from trading," he said yesterday.

But in three years time the business would be getting smaller. He added that the time from buying a site to opening a store is two or three years, so the group must now look to financing spending in 1993.

Asda has a legacy of a "first generation" superstores in its north of England heartland. Many were converted from warehouses, factories or mills. They do not stand up well to competition from new stores opened by rivals.

It must revamp, resite or rebuild these stores in order to protect the large market share it has in its traditionally strong areas. Mr Norman added that at the same time it must win back its reputation

for offering value for money to ordinary working people and their families.

The launch of an "Asda Price" campaign last autumn, and work on improving ranges is already bearing fruit, he claimed. Trading is ahead of expectations with like-for-like sales growth accelerating.

Asda did better than the industry average over Christmas, he said, and when J Sainsbury launched its January sale Asda prices were still significantly lower.

Now he is beginning to attack the property issue. The revamp of a store at Walsingham, Norfolk, in September last year, has more than paid for the £2m cost with a 20 per cent increase in sales.

This store, said the company, would "provide the basis for a store format which could be applied to the revamp of the core Asda superstore chain".

Mr Norman admitted that a few months trading from one

revamped store was "early days for hard evidence", but he believed there was enough to carry on with the programme, and in any case "the alternative is to wait until it's too late".

As well as revamping stores, Asda plans to resite about 15 of the oldest ones at a cost of between £15m and £20m each, and rebuild five to 10 stores on existing sites, costing about £5m each and involving closing the stores for about eight months.

Asda is also experimenting with a discount store format called Dales. With four open so far, all conversions of "burnt-out" Asda stores, sales have risen sufficiently to offset the lower margin they achieve.

Mr Norman said there was still more experimentation to be done, and agreed that the formula of a discount store on an edge-of-town site had never been tried in the UK before. He took encouragement from successes of similar stores in the US.

Between the Walsingham Asda and the four Dales shops, he said Asda had "the basis for commercially viable formats which, as they are further enhanced, will be rolled out".

At the moment, shareholders seem happy to go along with Mr Norman's view. Profit forecasts stretch up from between £135m and £140m pre-tax for the current year, to £180m or £190m next and perhaps £240m or more the year after. That progression would suggest the shares have further to rise.

But there is also a note of caution to be sounded. Holding fourth place in an industry with three highly competitive leaders, the task of transforming the business cannot be as simple as Mr Norman's confidence might make it seem. "He might be right," concluded one analyst, "but it's high risk".

## Strike doubles loss at GM Firth

A STRIKE at its steel rolling mill, Spartan Redheugh, was principally blamed by GM Firth (Holdings) for a doubling of its pre-tax loss, from £712,000 to £1.5m, in the half year to September 30.

The knock-on effect on its steel stockholding subsidiary, one of the mill's principal customers, together with high interest charges and "what was probably the worst market for steel since the 1980s", all contributed to the loss.

Mr Michael Wilkinson, the chairman, said that accordingly the group's principal aim in recent months had been to resolve the strike and significantly reduce borrowings.

In October, as part of

restructured banking arrangements, it was agreed to sell Spartan but the directors have since decided to keep it within the group.

In December the strike was resolved and Mr Wilkinson said there had been no erosion of its customer base, particularly for the higher quality products.

Although Spartan's ability to expand was restricted by a shortage of working capital, that position would be eased when the new bank facilities were in place, he said. Borrowings had fallen from £14.6m on April 1 1992 to about £5.6m at present.

Mr Wilkinson added that trading losses had continued

into the second half and the company had pruned its steel stockholding activities in line with the reduced market.

Turnover in the period dropped to £12.3m (£23.4m). Losses per share worked through at 4.48p (1.55p) and again there is no dividend.

The £1.57m loss on the sale of Arthur Lee shares in October and November coupled with costs relating to the restructured banking arrangements would be shown in the figures for the second half, the chairman said.

Last week it was disclosed that Mr Roger Shute, president of BM, the industrial holding company, had bought a 4.4 per cent stake in Firth.

### NEWS DIGEST

#### Farringford £151,000 in the red

FARRINGFORD, which operates a hotel and golf course on the Isle of Wight, reported pre-tax losses of £151,000 for the six months to August 31 1992. Losses for the six months to June 30 1991, when soft drinks was its sole business, were £281,000.

The soft drinks business was sold in January 1992 when the company changed its year end from December to February. In September 1991 the Farringford Hotel (Freshwater) was acquired and was the only operating subsidiary during the period under review.

Turnover was £387,000 (£2.7m). Operating profits, including £65,000 from the hotel, amounted to £113,000. Losses per share are shown as 0.65p (£2.27p).

#### Significant rise in Independent value

Over the six months ended December 31 1992 the net asset value per share of The Independent Investment Company rose 21.5 per cent, and over the full 12 months it increased 26 per cent, from 57.7p to 72.5p.

The North American investments performed well as the economic recovery showed signs of continuing and inter-

est rates were lower. In the UK the decision to leave the ERM was beneficial. In the half year gross income was £2m (£1.5m).

#### Asset value growth for Derby Trust

At the end of December net asset value of Derby Trust capital shares stood at 382p, an 11.4 per cent increase over the 343p reported the year before.

In 1992 gross revenue totalled nearly £3m (£3.27m). Earnings per share fell from 18.494p to 16.854p, and all of these are distributed as dividend with the second interim being £4.087p.

#### Partridge Fine Arts halved to £1.1m

Partridge Fine Arts, the antique dealer, reported halved pre-tax profits of £1.1m for the year to October 31 against £2.16m. Second half profits fell from £1.43m to £126,000.

Turnover fell to £9.36m (£9.64m). Earnings were 3.25p (£5.49p). A maintained final of 1.25p is proposed for an unchanged total of 2.25p.

#### Abtrust Preferred plans share issue

Abtrust Preferred Income Investment Trust is planning to issue new zero dividend preference shares with a market value of £8.5m together

with new ordinary income shares to a value of £3.3m. The company also declared a third interim dividend in respect of the year ended May 31 1992 of 2.9625p per ordinary income share.

#### Net assets ahead at Witan Investment

The net asset value per ordinary share of Witan Investment Company stood at 312.8p at the December 31 year end. That compared with 181.3p at the June 30 interim stage and with 178.5p a year ago.

The net asset value per warrant increased from 102.3p to 136.3p over the 12 months.

Revenue after tax increased from £19.5m to £19.6m for earnings per share of 5.71p (£5.67p). A final dividend of 2.5p raises the total from 5.3p to 5.6p.

#### Net assets improve at Kleinwort High

Net asset value per ordinary share of Kleinwort High Income Trust stood at 84.5p at December 31. That compared with 74.2p at the June 1992 year end and with 72.8p at December 31 1991.

Respectively, net asset value per zero dividend preference share was 116.9p, 110.7p and 104.3p. Available profits for the half year to December 31 amounted to £1.01m (£1.26m) and earnings were 3.37p (£4.19p). The second quarterly dividend is again 1.875p.

## Thomas French lower and selling loss-maker

AFTER THE adoption of new accounting requirements and paying £103,000 to a former director, Thomas French & Sons has seen its pre-tax profit fall from a revised £285,000 to £110,000 in the year ended October 3 1992.

The group also announced

the sale of Kaz Krafts, which incurred a pre-tax loss of £210,000 in the period, to Legend Fine Art for some £200,000 cash. The group's overall focus was now more strongly directed to the core activities of curtain tape and window accessories.

Earnings per share fell from 5.51p to 0.19p, with the continuing businesses accounting for 4.88p (£8.88p). They were arrived at after adding back payment to director of £288,000 net, and adjustments for discontinued operations of £443,000 net.

A maintained final dividend of 2.175p is proposed for an unchanged total of 3.625p.

Although the signs were for continuing recession the first quarter of the current year had gone well, said Mr Jeremy French, chairman.

The curtain tape business acquired from British Trimmings last June was performing to expectations. The benefit was coming from the elimination of loss-making activities. Net borrowings were £2.15m, giving gearing of 46 per cent.

Turnover in continuing activities in 1991-92 fell 3 per cent to £12.5m generating a trading profit of £1.04m (£1.26m) while losses in discontinued businesses fell from £337,000 to £189,000.

Charges for losses on sale or closure of discontinued businesses, including £173,000 of goodwill previously written off, were £382,000 (£334,000).

## Saville Gordon down slightly at £1.3m

By Paul Chesswright, Midlands Correspondent

J SAVILLE Gordon Group, the Birmingham-based property investment and merchanting concern, reported a slight decline in six month pre-tax profits, but a maintained dividend, in its first results since it wound up its securities and commodities trading division.

Pre-tax profits for the six months ended October last were £1.36m compared with £1.35m. Earnings per share amounted to 0.85p against 0.9p and the interim dividend is held for the third year running at 0.5p. In 1991-92 payments totalled 2.2p.

Dependent now on property investment income and pipeline equipment and stockholding, group turnover was sharply lower at £13.78m, compared with £28.47m in the first half last year.

With rent reviews coming through, property income is set to increase, leaving the pipeline business as the weaker part of the group. Operating profits in the first half were £545,000 against £536,000.

Mr John Saville, the chairman, observed a recent improvement in demand, however, which should show through more strongly in figures for the next financial year.

Charges for losses on sale or closure of discontinued businesses, including £173,000 of goodwill previously written off, were £382,000 (£334,000).

**NOTICE OF REDEMPTION**

**Kingdom of Denmark**

**US\$ 37,500,000**

**Floating Rate Notes due 1995**

In accordance with paragraph 6 (b) of the Terms and Conditions of the Notes, notice is hereby given that the Issuer will redeem all the Notes remaining outstanding (i.e. US\$ 37,500,000) at their principal amount on March 1, 1993 together with accrued interest from February 26, 1993 to the date of redemption. The rate of interest for this period will be fixed on February 24, 1993 and will be available at the office of the Paying Agent.

Payment of interest due on March 1, 1993 and repayment of principal will be made in accordance with the Terms and Conditions of the Notes.

Interest will cease to accrue on the Notes as from March 1, 1993.

**The Fiscal Agent**  
**Kreditbank Luxembourg**  
Luxembourg, January 29, 1993

**Inside Monday's Journal**

**EUROPE**

Will the EC be a superpower in 2003? Whose face will appear on your ECUs? Will your refrigerator tell you the milk went sour? To mark its 10th anniversary, The Wall Street Journal Europe takes a look into the future. With contributions from Helmut Schmidt, Valéry Giscard d'Estaing, and Karl Otto Pöhl.

**THE WALL STREET JOURNAL EUROPE**

**2200,000,000**

**MFC Finance No.1 PLC**

**NOTICE OF REDEMPTION**

Series 'A' to 'F' Mortgage Backed Floating Rate Notes

Due October 2023

Notice is hereby given, that in accordance with Conditions 5(c) of the Prospectus dated 13th October 1992, the Issuer intends to redeem £2,000,000,000 in aggregate value of the Notes on the respective February 1993 interest payment dates.

By: Citibank, N.A. (Issuer Services)  
January 29, 1993

**CITIBANK**

**Notice of Redemption**

**MARUBENI U.K. P.L.C.**

**VEN 17,500,000,000**

**Step-Down Coupon Notes 1994**

NOTICE IS HEREBY GIVEN, pursuant to Condition 5(c) of the terms and conditions of the above-mentioned Notes, that Marubeni U.K.P.L.C. (the "Company") has elected to redeem on 2nd March 1993 (the "Redemption Date") all of its outstanding Ven 17,500,000,000 Step-Down Coupon Notes due 1994 at their principal amount.

The Notes should be presented and surrendered to the paying agents (as shown on the reverse of the Notes) on the Redemption Date.

January 29th 1993  
CITIBANK, N.A. (Issuer Services), London Principal Paying Agent

**CITIBANK**



## THE PROPERTY MARKET

## PSA's 'catalogue of disaster'

A new chapter opened in the unhappy history of the Property Services Agency this week, as the government launched the last stage of its privatisation. It did not get off to an auspicious start.

On Monday, the government announced the tender of Building Management, the largest part of the agency to be privatised. Just two days later, the agency's shortcomings were on display as the all-party Public Accounts Committee scrutinised the 1991-92 accounts of PSA Services.

The committee grilled Sir Geoffrey Chipperfield, the permanent secretary of PSA Services, about write-offs of £12.8m in uncollected debts lost in a paper chase of invoices and inter-departmental disputes. One committee member described it as "a catalogue of disaster".

The MPs feared that these problems did not augur well for the sale. "What will be the effect of these uncollected debts on the value of the companies?" asked one member. "The facts we have been discussing will have some deprecating effect on the value of the company."

"History is always with us and a purchaser will look at our short commercial history and the mistakes that have been made," agreed Sir Geoffrey. But, in his view, the agency's shortcomings are in the past and would not significantly affect value. "We think invoicing procedures have improved so that we will have no more of a problem than any other commercial organisation."

Mr John Anderson, an executive

A select committee inquiry into the shortcomings of the government agency has cast a cloud over the final stage of its privatisation, writes Vanessa Houlder

director of Bovis Construction, which was called into the PSA 15 months ago to improve its management. "We have endeavoured to make the organisation more commercial. We have been impressed by the way in which the people in this business have actually tackled this task," he told the select committee.

But improving the PSA's management, which has long been criticised for inefficiency, is a daunting task. "Few if any government agencies have come under heavier fire," said the Centre for Policy Studies in a 1989 paper entitled *The Property Services Agency - a Case for Demolition*.

It accused the PSA, which then employed a 24,707-strong staff managing 11m acres with a turnover exceeding £3bn, of being a "Byzantine bureaucracy". It quoted evidence given to select committees of "over management, a slow decision-making process, and a lack of urgency and energy in management".

Moreover, the PSA had neglected maintenance, had failed to identify opportunities to rationalise the estate and was insensitive to the needs of conservation. With property accounting for 18 per cent of the cost of government administration, there was a clear need to

improve the efficiency of its property business.

The first step in the overhaul of the agency was breaking it into PSA Services (comprising PSA Projects, its construction arm, and the Building Management business) and Property Holdings, which controls the government's office portfolio and remains part of the Department of the Environment. The monopoly of PSA Services was then removed by opening government contracts up to competition. The final stage of the overhaul is the disposal of PSA

### The PSA's history of inefficiency is part of the rationale behind the decision to dismantle it

Services, which began two months ago with the sale of PSA Projects to Tarmac, the construction and building materials group.

The sale proved controversial because of the unexpectedly high costs associated with it. It involved a government payment of £54.9m to cover unpaid bills and to meet the cost of putting the business on a commercial footing. The government will also pay some £40m to

cover costs of redundancies, since only 800 of the 1,500 staff have agreed to transfer to Tarmac.

The disposal of Building Management - which has been broken up for sale as five separate businesses based in Edinburgh, Manchester, Leeds, Bristol and London - once again raises concern that the government will have to foot an excessively high bill for redundancies. The cost of redundancies at Building Management, with five times as many staff as PSA Projects, could be far higher than in the earlier disposal.

It is not yet clear how many of Building Management's staff will choose to opt for redundancy or a temporary secondment to the buyer, which in many cases amounts to a deferred redundancy.

The CPSA, the union for administrative grades, expects no more than half of its members to transfer permanently. "No one will be enthusiastic about going from a job in the civil service to a job in the construction industry, which works on a hire and fire basis," says a representative of the Institute of Managerial and Professional Staffs, another trade union.

Coopers & Lybrand, the accountancy firm advising the government, believes the unions are being excessively pessimistic about the

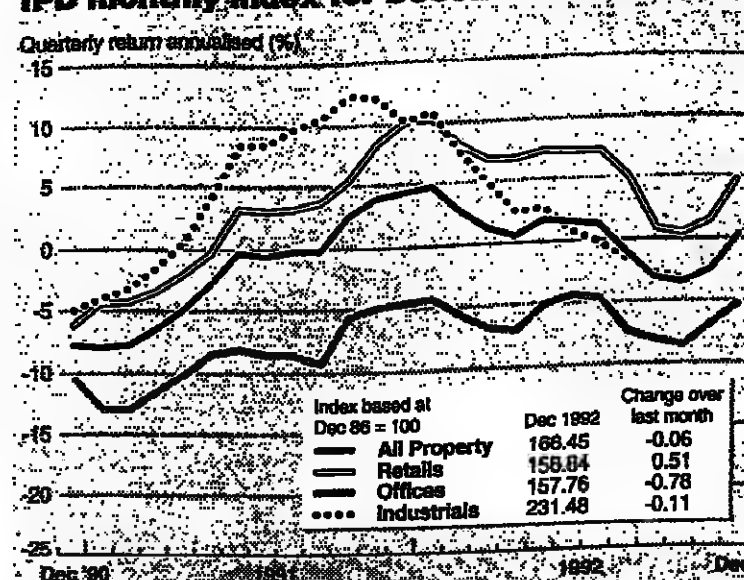
proportion of staff that will choose to leave. It believes that the costs of redundancy will be offset by the sums that buyers will be willing to pay for the businesses.

"My belief is that there will be strong interest in the businesses. We will be offered good prices which will offset the redundancy costs," says Andrew Jordan, a partner. He reports that more than 70 companies have expressed interest in the five Building Management businesses. These include contractors, consultants, utilities and building management. The response reflects the attraction of acquiring government contracts lasting up to five years and of gaining a significant share of the market in a single transaction. "Five years of work is something that many people in the construction industry would give their eye teeth for," says Mr Jordan.

But will the advantages of buying a few years of government work outweigh doubts about the businesses' ability to win future contracts? Many in the industry are sceptical. "I suspect PSA will not have very much competitive advantage," says one of its rivals. "PSA does not enjoy the best relations with government. The brand name is lousy."

But the PSA's poor record is not just a stumbling block for the success of this privatisation - it is also part of its rationale. Whatever the costs and controversy involved in its dismantling, there is a good chance that the management of the government's estate will be better as a result.

## IPD monthly index for December



## No sign of growth in year-end data

PROPERTY yields reached a record of 10 per cent in the month of December, according to new figures from the Investment Property Data Bank, a research group. The data underlines the renewed sense of pessimism in the property industry following the transitory signs of growth earlier last year.

The IPD Monthly Index shows that total returns for the month fell back once again to zero, as longer yields combined with further declines in rental values. The All Properties total return for the year sank to -0.1 per cent, the first negative year-on-year return since December 1991.

The returns of the different sectors converged slightly in 1992. Retail, which had a year-on-year

return of 4.8 per cent, took over from industrials as market leader in February. Retail rental growth dropped from -0.7 per cent in December 1992 to -3.0 per cent, although capital growth improved by almost 1 point over the period to stand at -2.8 per cent in December. Offices produced an annual return of -6.1 per cent, which nonetheless showed a 2 point uplift on 1991, the greatest relative improvement over the year. Capital value growth for the year to December was -14.2 per cent while rental value growth sank to -16.8 per cent.

Yields on industrials have been pushed out to 11.4 per cent. Rental value growth fell by 9 points to -6.5 per cent, while capital growth dropped from -2.1 to -3.6 per cent.

## Before you buy your next development site make sure its teeth are removed



Developing any site requires a huge amount of pre-planning and expertise and the starting point for any project must be the nature of the land itself. Any contamination of the land must be assessed at an early stage and dealt with before the problems bite hard into the asset value or blight the project.

Without careful assessment of the history of previous usage of land and its present condition the unexpected could ruin the project. A case in point was a housing development on a site which had been used by a dental technician. No problem here you may imagine until it was discovered that the site contained thousands of teeth and the soil was contaminated by mercury used by the technicians.

As a quoted company specialising in environmental issues, RPS Group plc understands the commercial pressures on you. We have 25 years of expertise in assessing the implications of environmental damage and more importantly how to solve the problems. Our focus is always on solutions that are commercially as well as environmentally sound.

For advice on how to avoid the unexpected, speak to Dr Keith Jones at our London office.

Dr Keith Jones, RPS Consultants Ltd  
12 Adeline Place, London WC1B 3AJ  
Tel: 071-637 7261

**RPS GROUP PLC**  
THE ENVIRONMENTAL CONSULTANCY

RPS Group offices: Belfast, Chester, Cork, Dublin, Durham, Edinburgh, Huddersfield, London, Oxford, Southampton.

## IF YOUR SQUARE FEET ARE KILLING YOU

ADVERTISE THEM IN THE FT ON MARCH 12TH - THE EUROPEAN PROPERTY SURVEY

Marketing a property has never been so difficult. Tough times need direct measures so don't waste your time talking to a middle man when there's a sure fire way of reaching the tenant direct.

The FT is read by more European business decision makers with responsibility for property and premises management than any other newspaper or magazine.

Imagine speaking to all of these end-users on the same day.

On March 12th 1993 the FT will publish the European Guide to Commercial Property. This tabloid survey will provide our readers with definitive editorial comment on the opportunities and problems facing Europe's rapidly changing property markets. Advertise your property as one of the opportunities by telephoning Dominic Morgan on 071-573 3211.

\* Source: BMRC 1991

### FT SURVEYS

#### LEGAL NOTICES

Company No. 1502735  
INDEMNITY ACT 1986  
Removal of Writings from  
Investments Limited  
PART 2

At an extraordinary general meeting of the above named company duly convened and held at Coppen & Lybrand, 20 St Andrew's House, 20 St Andrew's Street, London EC4A 3AD on 25 January 1993 at 12.00 noon, the following resolutions were passed: No 1 as an extraordinary resolution and No 2 as an ordinary resolution:

1. That it has been proved to the satisfaction of this meeting that the company cannot, by reason of its liabilities, continue its business and that it is advisable to wind up the same and THAT accordingly the company be wound up voluntarily.

2. THAT A R Sweeney and N S Hill, of Coppen & Lybrand, 20 St Andrew's House, 20 St Andrew's Street, London EC4A 3AD be and are hereby appointed joint liquidators of the company.

Dated 25 January 1993  
R Sweeney, Chairman  
At a meeting of creditors held on 25 January 1993 at 12.15 pm the creditors confirmed the appointment of A R Sweeney and N S Hill as the joint liquidators.

Notice of appointment of Administrative Receiver  
Southern Magazines Limited  
Registered number: 2230116. Nature of business: Publishing of magazines. Trade classification: Division 2-10. Date of appointment of administrative receiver: 18 January 1993. Name of person appointing the administrative receiver: Midland Bank Plc.  
N I Vaughn and J M Smith, Administrative Receiver/Joint Administrative Receiver (office holder nos 6339 and 2041).  
Coppen & Lybrand, Orchard House, 10 Abbot Place, Maitland, Kent ME14 5DZ.

#### PERSONAL

PUBLIC SPEAKING Training and speech-writing by award winning speaker. First lesson free. Tel: (0727) 861133.

**BUCKINGHAM PALACE ROAD SW1**  
Newly decorated period offices to let.  
Suites from 150 to 3500 sq ft.  
New leases.  
Rents from £10.50 psf.  
Tel: 071-499 0866

**MACHELEN**  
Near Zaventem and NATO Ground:  
1 ha+ urban certificate 11,200m office.  
292 parking  
Fax: 32/2/375.53.06

**LONDON SW1 - ST. JAMES'S OFFICES**  
Attractive courtyard environment  
3,000 - 9,000 sq ft.  
Mellersh & Harding 071 499 0886  
(Ref: PJANDC). Drivers Jonas 071 491 9731 (Ref: BRP).

**Shackville House**  
40 PECANAT LONDON W1  
4th Fl Offices: 1,250/2,000/3,350 sq ft  
GRADE II LISTED BUILDING  
HIGH PROFILE LOCATION  
UNBELIEVABLE VALUE  
Call now for a brochure  
071-402 3333

**FANTASTIC OPPORTUNITY OFFICE FOR RENT OR SALE IN THE FINANCIAL CENTRE OF MADRID. MODERN, AIR CONDITIONING, 430 M**  
CONTACT: EDUARDO OR PALOMA. TEL: 94-1-5591814 FAX: 34-1-5481841

**BANK REO San Francisco, USA**  
154 UNIT APARTMENT COMPLEX  
Village Square Apts in the Diamond Heights area of San Francisco  
97.4% Leased  
155 Parking Stalls  
Approximately 80% of units at market rents  
Price: \$12,950,000  
Financing Available to qualified buyer  
Broker Cooperation  
Call DAVID BLITZ (310) 417-5694 FAX (310) 338-6165

**COMMERCIAL PROPERTY**  
To advertise in this section, please contact Wai-Fung Cheung on 071 873 3574

## ACTIVE IN BANK FUNDING OF COMMERCIAL PROPERTY

Some recent transactions....

**Hourfollow Limited**  
(£13,100,000)  
Long Term Investment Loan  
Savills Financial Services Ltd

**Parinv (Bracknell) Limited**  
Subsidiary of Pillar Properties Investments plc  
(£10,875,000)  
Fixed Medium Term Investment Loan  
Savills Financial Services Ltd

**Grangewise Investments Limited**  
(£14,500,000)  
Fixed Medium Term Investment Loan  
Savills Financial Services Ltd

**Emperor Investment Holdings Limited**  
(£1,281,000)  
Fixed Medium Term Investment Loan  
Savills Financial Services Ltd

**The Chartered Institute of Public Finance & Accountancy**  
(£2,000,000)  
Fixed Medium Term Loan  
Savills Financial Services Ltd

**An Overseas Investor**  
(£16,400,000)  
Medium Term Investment Loan  
Savills Financial Services Ltd

Contact: Adam Slater

### SAVILLS FINANCIAL SERVICES LIMITED

(A Member of The Securities and Futures Authority)  
20 Grosvenor Hill, Berkeley Square, London W1X 0HQ

Tel: 071-499 8644 Fax: 071-495 3773

**SAVILLS**

#### LUXEMBOURG

INTERESTING INVESTMENT  
BUILDING FOR COMMERCIAL AND RESIDENTIAL USE

2027 sqm construction starting now  
car parking available  
bank guarantee available  
tax benefits

PROMOTION by  
**LAZZARA IMMOBILIERE S.A.**  
495, route de Longwy  
L-1941 Luxembourg  
tel: 01 03 52/45 51 04 (45 20 70)  
fax: 01 03 52/45 87 65

**FOR SALE IN GREECE**  
Building with 1200m<sup>2</sup> production area, 300m<sup>2</sup> offices, concrete roofs, walls, aluminium doors & windows on 25th km Athens-Corinth National Road. Land 4689m<sup>2</sup>  
Apply Fax (30-1) 721 5901  
Tel. (30-1) 729 0446

**MAYFAIR**  
Self-contained headquarters building with office & residential accommodation with access to private secluded gardens. Approx. 4,435 sq ft - Flexible lease terms - Might divide (Ref JWD)  
071-723 9198.

#### DEVELOPERS, URBAN PLANNERS

For rent or sale: **IDEAL COMPANY HEADQUARTERS**  
700 M from RER station and accessible by the Francilienne Highway near Montigny (91). 30 km south of PARIS which can be reached by the N20 or A10 Highway leading to the Porte de Sèvres or Porte d'Orléans. 19th Century CHATEAU in perfect condition + 2500 sqm of existing outbuildings, 25 hectares with century trees - pond - river. Perfect for development of TECHNOLOGY PARK with building permit for 43,500 sqm (SUON) in area zoned for urban development (Z.A.C.). Numerous possibilities (residential, commercial activity, offices). Documentation on request, visits by appointment.  
Tel: (1) 48.98.08.08 - Fax: (1) 48.98.10.10

**FOR SALE**  
12 acre Yorkshire stone quarry potential turnover £500,000 per annum with approx 2.5M tonne reserves.  
Valuation of £2M for bank purposes. Will consider part exchange - commercial, residential or overseas investment  
Contact: J Lund 0423 560331

**ST JAMES'S BANKING HALL**  
Attractive Grade II Banking Hall 800 sq ft plus 2,600 sq ft offices, storage & staff facilities.  
Tel: 071-499 0866. Ref: MD

**BOSTON PARK PLAZA**  
100 GREAT WEST ROAD BRUNTFORD MIDDLESEX  
Serviced Office Suites from 500 sq ft  
Excellent access to West End/Heathrow  
All enquiries  
Grinley JR Ewe Herring Baker Harris  
071-825 1915 071-734 8155

هكذ من الشمل



## RECRUITMENT

# JOBS: Ability to work innovatively depends on far more than a talent for thinking up novel ideas

## Why creativity isn't all in the mind

**W**OULD readers who have proved themselves creative in your work care to help the Jobs column in settling an argument?

To avoid misunderstandings, it had better be said that being "creative in your work" does not refer to such feats as contriving artistic arrangements of flowers on your desk before sitting down at it to ensure that precedent is followed to the letter. For a working achievement to count as creative, it has to satisfy four conditions.

Firstly it must be novel. Secondly it must be effective in serving a valuable purpose. Thirdly it must be decisively if not entirely of your own devising. Fourthly it must meet all the previous three conditions not only in your own estimation, but in the judgment of at least some other people with a sound claim to know what they are judging.

Creativity of that sort is the nub of the aforesaid argument. It arose at the British Psychological Society's occupational group conference this month, during a session starring Fiona Patterson and Tom Smith of Ford Europe, where they are concerned with recruitment and staff development. Their topic was how a company can best select people with such creative abilities for its workforce.

One way not to do so, the Ford duo suggested, was by relying on tests supposedly designed for the purpose. The reason they gave was that, since

would-be recruits can usually see that creativity is deemed important in the job at issue, the tests tend to make it easy to fake the "right" answer. And to show how, the speakers produced three questions from tests on the market.

In the case of the first two of them, the Jobs column readily agrees that the desirable answer is obvious. Both were of the same type, facing candidates with a statement and a choice of responses to it, then asking them to mark the one closest to their own heartfelt reaction.

In both instances, too, the possible responses were (a) strong disagreement, (b) disagreement, (c) uncertainty (d) agreement, (e) strong agreement. The first statement was: *Creative ideas do not come easily to me.* The other read: *I do not feel my ideas are innovative.*

Neither seems apt to present much of a stumbling block to an ambitious job-seeker aware that the recruiters deem creativity a plus-point. Indeed, the only difficulty would be in deciding whether any candidate who failed to mark (a) or at least (b) was simply uncreative, or half-witted into the bargain.

Where the argument arises, however, is over the conference speakers' claim that the desirable answer is similarly obvious in the third sample question

they cited. Being doubtful myself, I'm inviting readers to try it and see.

The task is to consider the unfinished statement which comes first, then decide which of the alternative endings best matches your attitude to the topic concerned. (The original offered three endings. But since one was of the "undecided" type clearly meant to identify folk not creative enough to make up their mind on the issue, I'm giving only the two firm choices.) OK, here goes:

*Discussion with ordinary, habit-bound, conventional people...*

A... is often quite interesting and has a lot to it.

B... annoys me because it deals with trifles and lacks depth.

Now, which of the two is "obviously right" in the sense of being the answer that would honestly be given by a really creative worker?

In the view of the Ford duo, it was evidently B denoting belief that there is nothing potentially to be gained from the comments of ordinary, habit-bound, conventional people. But while that may be so in some highly specialised pursuits - pure mathematics might be an example - I cannot believe that the same applies in more than a very few of the occupations in which creativity is of

value. On the contrary, in most cases, a keen and attentive ear for such people's observations is surely an essential part of the ability to work creatively.

Nevertheless, while I disagree with the duo on the response, the ambiguity of the question leads me to share their scepticism about the tests cited: What they purport to gauge has too many dimensions to be mapped at all simply.

That much is yet better illustrated by another test based on the notion that creativity equates with the capacity to spawn novel ideas. Hence candidates are asked how many uses they can think of for a builder's brick or the like.

One attendant snag was pointed out by an erstwhile user, a top recruiting specialist in an outfit then employing half a million. "We find some people can produce far more than others. But as the quantity increases, the nearer they seem to get to being psychopaths. For example, some of the uses they come up with aren't just obscene, but sadistic. Is that creativity... and even if it is, do you want it in your organisation?"

The root answer is that it isn't. Far from meeting all four conditions set out earlier, a bent for spawning novel ideas might be incongruent with the discipline needed to achieve effective and valuable

results. In the words of the American authorities on the topic, James Averill and Elma Nunley: "We must distinguish the creative from the bizarre, the merely eccentric, the random - all of which can be quite novel or unique."

Moreover they go on to question the very basis of the tests I've mentioned. It is the notion that creative people think in a special way which differs from the mental workings of the more prosaic, thinking intuitively or synthetically as opposed to analytically or discursively.

"We believe the bulk of the evidence favors those who deny a special process approach," the Americans say. "The same thought processes, whether intuitive or discursive, are important in all behavior, albeit perhaps in different combination and degree. There is nothing special about creativity in this regard."

Nor do they think it dependent solely on mental mechanisms. Motivation also plays an essential role. "People are often motivated to do what they are able to do," the authors add.

"Motives help determine mechanisms. Within limits, a person who wants to do

something can, through hard work and practice, develop the relevant abilities. There are, of course, limits. Not everyone can be an Einstein or a Beethoven, no matter how hard he works. But the limits are less severe than we like to think.... It follows that everyone has the ability to some degree."

There is something else that follows too. It's epitomised by a pet question of that giant of motivational theory, Fred Herzberg. "What's the most vital thing to do if you want your daughter to be a great pianist?", it went. Then, dismissing replies about giving encouragement and such, he'd grin: "No - make sure she has a piano to play on, for God's sake!"

His point would be confirmed by the pair from Ford. Their in-company studies show that everybody's creativity is inhibited unless organisational power structures are rigged not only to make it possible, but nurture it to boot.

Otherwise, even reliable creativity tests wouldn't be much help. The reason (having dropped several eminent names already, I might as well drop another) is enshrined in the philosopher Sir Karl Popper's comment that the mere fact that everyone in the world acted in line with logic would not make it a logical world; just one filled with logical people. By the same token, an organisation full of creative individuals won't necessarily be a creative organisation.

Michael Dixon

### Corporate Finance

#### To £35,000 + benefits

Looking for an exciting challenge? The corporate finance team within this prestigious British merchant bank needs assertive and determined executives to build on its unparalleled success.

You will be involved in all aspects of deal origination and execution and be given early opportunities to demonstrate your obvious potential in this fast moving environment. Candidates should be ACA or MBA qualified with an outstanding academic background (2:1 degree minimum) and ideally have 18 months corporate finance or strategic consultancy experience with a quality organisation. Fluency in one or more European languages is a considerable advantage.

### Risk Management

#### £25-40,000 + benefits

This derivatives group continues to expand to meet growing business demands. As a team, they manage risk exposure, create and present solutions to clients and provide strategic advice to traders.

As a potential candidate, you will have a quantitative background and be educated to degree level (minimum 2:1). At least 2 years financial sector experience is essential - preferably with exposure to derivative instruments including swaps, options and futures.

You will also possess commercial acumen, excellent written and interpersonal skills and be able to demonstrate the ability to think laterally in order to add value to this innovative team. Prospects are excellent for the right candidate.

Please contact Richard Pooley or Pascale Butcher on (071) 583 0073 (day) or (071) 371 5666 (evenings and weekends) or write to: 16-18 New Bridge Street, London EC4V 6AU.

### BADENOCH & CLARK

recruitment specialists

### JOSLIN ROWE

#### RISK CREDIT ASSOCIATE

Blue Chip Investment Bank currently seeks to appoint a degree educated Credit Analyst (aged 25-35) with a minimum of two years relevant experience. Working in the Fixed Income, Equity, FX, Commodities and Securities markets you will approve counterparties, establish trading limits, conduct due diligence and provide credit assessment of new issuers etc. Fluency in a second European language would be highly advantageous as well as to and from the European offices is anticipated.

#### FINANCIAL ANALYST

Qualified Accountant sought by leading US Investment House for a high profile role providing a service to both Front Office and Operations. You will cover analytical systems reviews together with the production of financial, statutory and regulatory reports for various business lines. Candidates should be graduates, ACCA/CIMA qualified and possess a strong general banking background. Equally, you should be able to demonstrate initiative and commitment to a progressive environment.

TEL: 071 658 5286 FAX: 071 382 9417

Joslin Rowe Associates Ltd, 100 City Road, London EC2M 4TP

A MEMBER OF THE BLOOMFIELD GROUP

### OIL FIELD - PETROCHEM

Our market requires equipment and supplies in the following areas: Machine Shop, Pipeline Maintenance, Instrumentation.

We are looking for key personnel for the position of Manufacturers Liaison Officers.

You will have entrepreneurial and managerial skills, able to introduce multiple manufacturers.

You will deal directly through our clients registration. The full tendering purchasing cycle and need understanding of the markets competition.

Candidate could be: Managing Director, Director of Sales, Owner of Company, Independent Sales Agent.

Remuneration on performance, no limit.

Please send CV and relevant details to:

Eskal S.A., P.O. Box 470, London SW3 4RJ

or Fax 071-730 8956

### OFFSHORE PRIVATE BANKING - GRAND CAYMAN

Our client is a well established class A private bank and trust company, wholly managed from Grand Cayman - a stable and secure offshore financial centre - providing to its own group and select H.N.W. individuals and corporations a broad range of financial services including: Trust Services, Incorporation/Offshore Company Management, Agency and Custodian Services, Purchase/Sale of Securities, Deposits, FX Transactions, Asset Protection, and Investment Advisory.

### MANAGING DIRECTOR

Circa £100,000 tax free + prestigious accommodation

We seek a private/investment banker of high repute, professional standards, with circa 15/20 years experience of investment and offshore banking and financial management. A proven successful track record, undoubted integrity and ability to manage family and corporate assets, with the assistance of a small respected team, is essential to ensure the continuance of the banks carefully crafted service, that has become its hallmark of excellence. This is not a role for a brilliant, young, unproven banker - nor is it a prestigious retirement home for an elder statesman! We require a well educated 'hands-on', banker of sound judgement to manage the bank with appropriate confidentiality.

Please fax or mail full career details to Ron Bradley - Executive Consultant

Jonathan Wren & Co. Limited, Financial Recruitment Consultants

No. 1 New Street, London EC2M 4TP Tel: 071-623 1266 Fax 071-626 5259

JONATHAN WREN INTERNATIONAL

## Societe Generale Equities

We are looking to recruit an experienced generalist equity sales person, a specialist German equity sale person and an Italian/Spanish equity sales person. Roger Hornett heads the existing team which comprises four specialists and five generalist sales people.

Please contact in strictest confidence:

Hugh L. Hughes  
Chief Executive

Societe Generale Equities International started trading on 14th September 1992 in Continental European Equity products. It is 100% owned by Societe Generale and a member of the London Stock exchange and SFA

SGEI has the advantage of working closely with its Continental affiliates in France (Delahaye Ripault); Germany (Elsassische Bank); Italy (Albertini); Switzerland (Sognal) and Spain (Valores).

Tel: 071 638 9000



## French Franc Bond Sales

Societe Generale is a leading issuer and market maker in French Government and Euro FF bonds. Through Societe Generale Strauss Turbull in London we wish to enhance our coverage of UK institutions.

Candidates should have a minimum of three years experience in selling Bonds and OAT's, as well as Euro FF and ECU bonds, to UK clients. Speaking French would be an advantage.

To apply, please submit a C.V. or telephone for further details and an application form to: Lyn Usher (Ms), Director of Personnel, Societe Generale Strauss Turbull Securities Limited, Exchange House, Primrose Street, Broadgate, London EC2A 2DD. Telephone: 071-522 1015.

### ASSISTANT MANAGER TO THE TREASURY

A finance house of a major Japanese Corporation based in the West End wishes to recruit an Assistant Manager to Treasury with international banking experience and experience of spot and foreign exchange transactions.

Candidates should be fluent in Japanese and English. Proficiency in additional languages is preferred. Recent graduate (up to 26) in finance or banking is ideally preferred. They will also be required to demonstrate extensive knowledge of Japanese banking procedures and familiarity with international accountancy practices. Candidates should have extensive experience of advising corporate clients on credit, investment and foreign exchange money markets.

Applications including full details of career to date should be sent to:

Box A691, Financial Times, One Southwark Bridge, London SE1 9HL.

### CREDIT/RESEARCH ANALYST with Fluent German

£45,000 plus Bonus and Benefits

Our client a global securities house requires a graduate, formally trained, fluent German speaking/writing analyst to join a team of professionals engaged on analysis of counterparty risk, fixed income research, rating advisory and corporate finance/sovereign research. This is an outstanding opportunity for a young assertive/personable banker. We also require analysts with fluency in: Italian, Spanish, French and Scandinavian languages.

Please contact Ron Bradley, Executive Consultant by post or fax.

Jonathan Wren & Co. Limited, Financial Recruitment Consultants

No. 1 New Street, London EC2M 4TP Telephone 071-623 1266 Facsimile 071-626 5259

JONATHAN WREN EXECUTIVE

### EMERGING MARKET DEBT

£70,000 + Bonus

Increased activity within the emerging markets generally has led to a number of opportunities for experienced traders within established international banks.

Applications are sought from candidates with at least 2 years experience of trading either sovereign or corporate debt.

For a confidential discussion please contact Gordon McDougall on 071-623 1266 or apply in writing to the address below.

Jonathan Wren & Co. Limited, Financial Recruitment Consultants

No. 1 New Street, London EC2M 4TP Telephone 071-623 1266 Facsimile 071-626 5259

JONATHAN WREN EXECUTIVE

### Investment Analyst

North American Equities

Our client, one of the City's leading investment management organisations, wishes to strengthen its North American equities team by the addition of an investment analyst.

The principal task will be to undertake research duties across all sectors of the North American market and to make stock selection recommendations to the fund managers for active portfolios with total assets in excess of \$14 billion in North America.

Whilst candidates may well be already working in an equities research capacity either in investment management or stockbroking, applicants with a background in accountancy,

corporate finance or other City-related numerate disciplines will also be given full consideration, as the primary requirements are a proven level of analytical ability and a genuine, deep-seated interest in investment matters. A strong academic record is essential.

The position offers excellent long-term career development prospects and a competitive salary and benefits package, including a generous mortgage subsidy and an attractive performance-related bonus plan.

To apply, please write in confidence to: IMR Recruitment Consultants, 1 Northumberland Ave, Trafalgar Square, London WC2N 5BW (tel: 071 872 5447).

INVESTMENT MANAGEMENT RESOURCES

### Acquisitions Monthly

The leading M & A magazine in Europe wishes to recruit experienced trainers for our expanding number of M & A courses in the following areas:

- \* Negotiating Skills
- \* Buying & Selling companies
- \* Management Buyouts
- \* Corporate Finance

Please send your CV and references to: Anne Avidon, Conference Manager, Acquisitions Monthly Conferences, 11 Gloucester Road, London SW7 4PP

### US EQUITY MIDDLES EAST INSTITUTIONAL SALES

Major U.S. brokerage firm seeks experienced account executive to cover Middle East institutions from its London office. Must have existing relationships, a minimum of 5 years experience and speak fluent Arabic.

Write to Box A693 Financial Times One Southwark Bridge London SE1 9HL



## WELSH DEVELOPMENT AGENCY CHAIRMAN

The Secretary of State for Wales wishes to appoint a Chairman for the Welsh Development Agency.

The Agency is a non-departmental statutory body which carries out a wide range of programmes to assist the development of a self-sustaining market economy in Wales. Its functions include attracting inward investment, encouraging the development of a self-sustaining industrial property market in Wales, improving the environment and the economic potential of urban areas, continuing the elimination of industrial dereliction and supporting the economic development of rural communities. The Agency's budget for the forthcoming year will be about £170 million.

A full-time Chief Executive is responsible for the day-to-day management of the Agency. Within a framework established by statute and guidelines set by the Government, the Board of the Agency, headed by the Chairman, determines policy and priorities. The Chairman will take the lead in setting the agenda for the Agency's activities and its strategies for implementation and in ensuring that it works in close

partnership with other public sector bodies and the private sector.

This is a demanding appointment for which candidates will need to be able to demonstrate proven business experience at the most senior level. It will be particularly important for the Chairman to command the confidence of all sections of the community in Wales. A good communicator, the Chairman will be expected to explain and project the aims and activities of the Agency, in Wales and overseas. A knowledge of public sector procedures would be an advantage.

The appointment is part-time and the time commitment is estimated at 2½ days per week. The salary related to this will be £42,235 p.a.

Anyone wishing to be considered should write enclosing a CV together with the names and addresses of 2 referees to: Mr D T Richards, Head of Industrial and Regional Policy Division, Welsh Office, Cathays Park, Cardiff CF1 3NQ by 18th February 1993.

Further information may be obtained from Miss Jessica Geddes on Cardiff (0222) 823841.

THE WELSH OFFICE IS AN EQUAL OPPORTUNITIES EMPLOYER



THE WELSH OFFICE - Y SWYDDFA GYMREIG

## SEMINAR DIRECTOR

Senior Programmer needed to produce investment management and pension fund seminars, choosing topics and supervising seminar organisation. Involves research, interviewing, editing, high-level contact with international financial executives. Some travel.

Must be creative and extremely well organised. PC, language skills highly desirable.

Would suit candidates with five to ten years' experience gained in financial services or journalism. Previous applicants need not re-apply.

Please send CV and salary expectations marked confidential to:

Institutional Investor,  
Dept EI,  
Imperial Buildings,  
56 Kingsway, London  
WC2B 6DX

## Senior Marketing Officer European Financial Institutions

London

£60-70,000

The success of the London operation of this long established and highly respected US institution has resulted in a need to recruit an experienced marketing officer to market and sell a range of products to both existing and potential customers in Europe. The role will entail marketing the full range of the bank's services, including custody and cash management products.

The ideal candidate will have had extensive exposure to European financial institutions and will already have been involved in closing sales opportunities and developing profitable client relationships. We would be particularly interested in talking to applicants who have had exposure to the insurance sector and understand the particular needs and opportunities

associated with this competitive industry.

The successful applicant will have excellent business closing skills and will be able to demonstrate a proven track record of developing key relationships in the European financial institutions sector. You are likely to be a graduate, in your thirties and will be fluent in at least one European language in addition to English. An attractive performance-related remuneration package, which will entirely reflect experience, will be awarded to the successful candidate.

Interested applicants should contact Ann Sample on 071 831 2000 or write to her enclosing a full curriculum vitae at Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH.

Michael Page City

International Recruitment Consultants  
London Paris Amsterdam Brussels Düsseldorf Sydney

## Credit Scoring Manager

A progressive thinker with clarity of vision and strength of purpose

Excellent Salary + Financial Sector Benefits

Britannia is one of the UK's Top Ten Building Societies: strong, competitive and with a long record of innovation and success. As part of a major initiative to review and enhance our core operations in secured residential lending, we are committed to a strategy of improved credit risk management using sophisticated scoring techniques. This creates the opening for an able and experienced Credit Scoring Manager to lead the implementation of the strategy.

We are looking for someone with hands on experience of developing credit scoring systems within the retail lending sector: highly numerate, IT literate, and familiar with the most advanced credit scoring techniques. Your contribution in terms of designing, implementing and monitoring the performance of new systems will have a significant impact on the quality of our core lending activities. You must have the personal authority and confidence

to handle this level of professional responsibility, combined with the vision to exploit the added potential of these systems in product development, direct marketing and sales activity.

The position is based at our prestigious Head Office in Leek - an attractive market town surrounded by countryside with excellent amenities - and will include a highly competitive rewards package tailored to suit the right person. Candidates currently earning less than £25,000 p.a. will probably not possess the depth of experience we require.

If you have the strength of purpose to play a key role in shaping our future credit management policies, please write with full details to: Philippa Harrison, Personnel Controller, Britannia Building Society, P O Box 20, Newton House, Leek, Staffordshire ST13 5RG. Closing date for receipt of applications is 3rd February 1993.



Naturally Innovative - Unashamedly Progressive

**CJA**

RECRUITMENT CONSULTANTS GROUP  
3 London Wall Buildings, London Wall, London EC2M 5PJ  
Tel: 071-588 3588 or 071-588 3576  
Fax No. 071-256 8501

Excellent opportunity for numerate individual with a background in Capital Markets

## CAPITAL MARKETS ANALYST

RESEARCH DIVISION OF MAJOR INTERNATIONAL BANK  
PIONEER AND LEADER IN THIS FIELD

For this appointment we seek mathematical economists with financial/securities experience. Reporting to the Head of Department, the successful candidate will be responsible for initiating and communicating productive research. Key to the success of this appointment is an imaginative approach plus the ability to react positively under pressure to fast changing market trends. Applications in strict confidence under reference CMA24605/FT will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter for the attention of the Security Manager: CJA

c. £80,000 + substantial  
bonus potential

Financial  
Services

North London

## Managing Director - Loan Workout Group

UK subsidiary of one of the largest financial services corporations in the US. Recent restructuring has grouped all property loans into a single portfolio. £100m+ loan book with the majority of exposure in bilateral commercial property loans. Real opportunity to minimise provisions in the portfolio by professional, well-structured management. Requires a talented, experienced manager to lead the unit. Excellent financial rewards linked to success.

### THE ROLE

- Responsible to the Finance Director for maximising recovery and minimising loss from the portfolio. Analysing and developing an effective management strategy for individual loans.
- Leading and motivating a small team. Training and developing technical skills to improve performance. Establishing disciplined reporting, documenting and checking of credits.
- Representing the company in negotiations with borrowers, creditors, lawyers and other advisors. Creating confidence in the portfolio's management for local and US management.

London 071 973 8484  
Manchester 061 437 0375

### THE QUALIFICATIONS

- Early 40's to mid 50's seasoned corporate banker with first-class credit record in a blue chip, progressive environment. Experience of managing a workout group and property lending highly desirable.
- Demonstrable commercial orientation. Disciplined analyst, planner and administrator with high orders of technical skills. Robust, determined and effective negotiator.
- Personality and stature to develop strong relationships internally and externally. Mature, results-oriented team leader with appetite for a real challenge.

Please reply, enclosing full details, to:  
Selector Europe, Ref: F9057013L,  
16 Canary Wharf Place,  
London E2 2ED

**Selector Europe**  
A Spencer Stuart Company

## BROADEN YOUR CAREER BY INVESTING IN DEVELOPMENT.

Competitive Salaries  
London based with extensive overseas travel

This is a rare opportunity to build not just your own career, but wealth-generating projects in the developing world.

The Commonwealth Development Corporation (CDC) provides investment and business support for 240 projects in over 50 developing countries.

We have over £1.4 billion currently invested and are continuing to make new commitments of over £150 million per year.

We have created two new positions for financial specialists who will help us to maintain our successful track record.

### Business Development - Capital Markets

CDC has over £175 million invested in projects in the Financial Services sector covering development banks, leasing, housing and fund management, and provides management & technical support for a significant number of these projects.

Your brief will be to promote CDC's involvement in this area and to provide this support and technical advice for our local managers.

You must have extensive experience of the Financial Services

sector, including a detailed understanding of Capital Markets, preferably in the Developing World.

Probably a graduate in your late 30's, you must enjoy working in teams and be able to grasp complex issues quickly.

Above all, you are an achiever with the confidence, the authority - and the presence - to contribute significantly to our immediate and long-term progress.

Serial Number 2342

### Deal Structuring - Developing World

Following structural adjustment programmes and the drive for privatisation, CDC see many opportunities for investment and management of projects.

We therefore need a dynamic professional capable of orchestrating the structuring of suitable deals, undertaking the negotiations and raising additional finance for projects in areas which are a

priority for CDC.

Probably in your late 30's, you have extensive and wide-ranging financial expertise and an enviable track record in a similar area.

A lateral thinker, you relish the opportunity to work in a supportive environment where your achievements will be both recognised and rewarded.

Serial Number 2343

Both these positions offer a competitive salary and benefits package that includes a subsidised mortgage programme and a non-contributory pension scheme.

To apply please write with full CV enclosing details of current salary and quoting the appropriate serial number to:

Valerie Latham, Senior Personnel Executive, Commonwealth Development Corporation, One Bessborough Gardens, London, SW1V 2JQ



Investing In Development

## JOHAMBRO MAGAN & CO Corporate Finance Analyst

J O Hambro Magan & Co is a specialist corporate finance advisory company with an excellent UK and international client base.

Activities include advising on mergers and acquisitions, buyouts and other corporate finance business.

### THE APPOINTMENT

- An exceptional opportunity now exists for a young analyst to join the team.
- Responsibilities will include collection and analysis of company information, financial modelling, research and assisting on a wide range of transactions.
- This will be a challenging position offering considerable responsibility.

### THE REQUIREMENTS

- Graduate with 1 to 2 years' relevant experience with an investment bank, accounting firm or management consultancy.
- Ability to use spreadsheets and databases.
- High levels of initiative and flexibility.
- Excellent communication skills.

Rewards will be competitive and career prospects are excellent with this small, highly professional team. Please apply, in writing only, with a full CV quoting ref 6433/B to Jane Tunney, K/F Associates, Pepys House, 12 Buckingham Street, London WC2N 6DF.

**K/F ASSOCIATES**  
Selection & Search

A DIVISION OF KORN FERRY INTERNATIONAL

هكز من كحل



## JPMorgan

As a result of its growing success and diversification, JP Morgan is seeking two editors to work at the Euroclear Operations Centre (EOC) in Brussels. EOC is a leading provider of settlement and related services to the international capital markets and interacts on a global scale with leading banks, brokers and other securities professionals. The following positions offer a stimulating international environment and competitive salaries.

### Senior Editor

This opportunity will be particularly attractive to energetic individuals with ambition and excellent verbal and written communications skills as well as a flair for project management. The successful candidate will be responsible for all aspects of EOC's marketing, legal, operational and corporate documentation and will have management responsibility. Editorial responsibilities range from the writing of initial drafts to the editing and supervision of production. The senior editor will report directly to the Head of the Editorial Group and will benefit from the opportunity of excellent short term career advancement.

**Job requirements:** University degree, English mother tongue, management experience, aged 30-35. Strong writing/editing skills with capacity to work simultaneously on a variety of projects. Five to ten years professional experience in senior editorial position or corporate communications, preferably within the financial services industry. Practical knowledge of financial services. Team worker with ability to work effectively at all levels of the organization, including senior management or outside. Proven project management skills with experience in delegating projects and overseeing all the stages of the editorial process.

### Assistant Editor

As part of the editorial group, the successful candidate will have excellent written and interpersonal skills, and will be looking to develop a career in a team-oriented environment. The assistant editor will be closely involved in the preparation of all types of documentation. Major responsibilities will include research, writing and editing of newsletters announcing service enhancements, new products, market developments and operational and technical details.

**Job requirements:** University degree, English mother tongue. Mid to late twenties. Three to five years experience as technical writer or writer in corporate communications or journalism (experience in financial services is preferred). Ability to handle multiple assignments simultaneously and meet tight deadlines. Capacity to gather accurate information and conduct interviews with people at all levels of the organization or outside.

Interested applicants are invited to contact Thierry Raikman, our recruitment consultant, on 32.81.30.37.63 and/or to send a comprehensive curriculum vitae to him, at CARRUS, 11, R. Durette, B-5101 Namur, Belgium. Interviews will be held in London or Brussels.

## CJA

RECRUITMENT CONSULTANTS GROUP  
3 London Wall Buildings, London Wall, London EC2M 5PJ  
Tel: 071-588 3588 or 071-588 3576  
Fax No. 071-256 8501

A very senior appointment with responsibility for client relationships.



### DIRECTOR - INTERNATIONAL FIXED INTEREST FUND MANAGEMENT

LONDON

£90,000 - £120,000 + BONUS

Our client is an established fund management house serving a range of clients, including a major presence in the management of mutual insurance funds. We invite applications from candidates (aged 40-50) with 8-10 years' experience of managing large international fixed interest/bond portfolios within tight investment parameters, co-ordinating a team and having driven client relationships for a minimum of 3 years. The successful applicant will be responsible for the management of a c.\$0.5bn fund and establishing a strong relationship with the directors of this established client. Candidates must have a robust personality, excellent presentation and reporting skills and be able to command respect at the most senior level, as well as being able to work independently as a fund manager. Initial salary negotiable £90,000-£120,000 + Bonus and full benefits package. Candidates wishing an initial discussion please telephone 071-638 0680 or evenings 071-828 2891, or write in strict confidence quoting reference DIF14878/FT to the Managing Director: CJA.

## Price Waterhouse

EXECUTIVE SEARCH & SELECTION

### Assistant Director - Credit

£50,000 + Bonus + Benefits West End

Expanding and profitable, this London based bank is part of a successful European Group providing specialist financial services to a high quality private client base including individuals, trusts and family-controlled businesses. Client tailored services focus on the core business of managing liquidity but also embrace corporate finance and advisory, asset financing and fund management. In seeking long term, prudent growth the bank benefits from an exceptionally strong balance sheet, an efficient structure and effective control systems. As a result of the bank's continuing expansion, an Assistant Director is required to join a small team covering

financial analysis and documentation. Other key responsibilities include counterparty and country risk, independent rating of treasury and investment instruments, and contributing to the group risk management system. You will be a mature graduate banker, almost certainly ACIB qualified, with at least 10 years experience in the analysis and control of credit. Your career will have been spent in first class institutions where you will have gained exposure to corporate finance and advisory transactions, capital markets and treasury instruments. Familiar with banking law, procedures and documentation, you may also be experienced

in credit recovery and restructuring. Real career opportunities exist for the right candidate.

If you believe you meet the above criteria and you are confident that your numeracy, analytical skills and detail consciousness are in the top tier, please write, enclosing full career and salary details, and quoting reference B-0013 to: Mark Harshorne, Executive Search & Selection, Price Waterhouse, Milton Gate, 1 Moor Lane, London EC2Y 9PB.

## SUN HUNG KAI SECURITIES (UK) LTD. INSTITUTIONAL SALES

### Senior and Junior Positions in London

Our Company is part of the Sun Hung Kai Group, an independent and indigenous investment house specialising in the dynamic Asia Pacific capital markets. The corporate headquarters is in Hong Kong with an integrated network of offices in China, Singapore, Malaysia, Indonesia, Thailand, Philippines, Japan, USA and UK.

We provide professional investment advice and dealing services in Asia Pacific securities to financial institutions and corporate customers in UK and Continental Europe. We wish to recruit two institutional sales professionals to strengthen our sales team in London.

Successful candidates should be aged 25-35 preferably with strong institutional sales experience in the Asia Pacific markets. Candidates applying for the senior role must have an impressive clients list and sales track record. Candidates must also be energetic, marketing orientated and possess excellent communication skills. Our Company offers a competitive remuneration package with a generous sales orientated bonus.

If you feel that you can meet this requirement, please send your full CV to Mr. Mark Child, Managing Director at Sun Hung Kai Securities (UK) Ltd, 4th Floor, Hambros Bank Building, 41 Tower Hill, London EC3N 4HA. (No agencies please.)

## Private Banking

### Are you meeting your client needs but not achieving your personal objectives?

**The Problem:** You are a motivated Private Banking professional who delivers consistently excellent results despite not having the complete product range necessary to meet the global investment needs of your clients. Although your performance is exceptional you are locked into your current job without receiving the recognition and rewards your performance merits.

**The Solution:** Promote yourself to Merrill Lynch. We didn't become one of the world's leading multicurrency financial services companies by limiting the growth potential of our people.

We are expanding our successful private banking business serving high net worth clients in Europe and the Middle East. If you are a successful Private Banker with at least six years' direct client marketing and broad cross selling experience, then you may have what it takes to join our select team of professionals who serve the sophisticated needs of our clients world-wide.

You must be capable of creating, developing and managing your own client base. Our remuneration package rewards results.

If you are interested send your CV, in complete confidence, to Lynne M Holmes, Merrill Lynch International Bank Limited, 25 Ropemaker Street, Box 100/FT, London EC2Y 9LY, England.



**Merrill Lynch**  
A tradition of trust

## Fixed Interest Dealer

Schroder Investment Management Limited, a leading UK fund management company with assets under management in excess of £18 billion requires an experienced fixed interest dealer to assist with an increasing volume of fixed interest business.

The principal responsibilities of the role will be the transaction of fixed interest business on behalf of the Schroder Investment Management group of companies in both domestic and overseas bond and fixed interest markets.

You will be aged between 25 and 30 and have between 4 to 5 years relevant experience of dealing in all aspects of the bond and fixed interest markets. You will possess two or more good 'A' level passes and have the communications skills to build and maintain productive working relationships with a variety of Fund Managers. Some knowledge of the foreign exchange markets would be an advantage.

A fully competitive salary is offered, together with an attractive range of banking benefits.

Applications including a full CV should be sent to William G Lewis, Assistant Director - Personnel, Schroder Investment Management Limited, 120 Cheapside, London EC2V 6DS.



**Schroders**

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER  
vous faire part d'un accord publicitaire avec LES ECHOS  
le quotidien de l'économie le plus important en France. Une annonce dans la rubrique "Offres d'Emploi  
Internationales" dans le  
FINANCIAL TIMES et LES ECHOS augmentera de façon substantielle l'impact de votre message sur les  
cadres dirigeants en Europe. Chaque semaine les annonces paraîtront dans les Echos le mardi et dans le  
Financial Times le mercredi (le vendredi dans l'Édition Internationale du Financial Times). Pour de plus  
amples renseignements, veuillez contacter:  
Clare Peasnell 071 873 4027



## RIYAD BANK

### SAUDI ARABIA

RIYAD BANK is Saudi Arabia's most prominent bank with 170 branches in the Kingdom and offices in the UK and USA. The Bank has recently embarked on a comprehensive and ambitious automation restructuring program, and, as a result, major technology based changes are expected within the Bank's International Banking Division at its Head Office in Riyadh.

Riyadh is a rapidly developing city, with modern hotels, superb shopping centres, a variety of sports and recreational facilities, including a new golf course. Housing compounds are fully equipped with swimming pools, satellite T.V. and other recreational activities.

Applications are invited for the following position from professionals who are interested in joining and making a significant contribution to Saudi Arabia's most successful Treasury and Investment Banking Division.

### RISK MANAGER

#### JOB REQUIREMENTS:

- Strong experience in Risk Assessment, preferably in Capital Markets.
- Excellent communication skills with 'hands-on' management experience.
- Extensive experience within a banking/financial environment.

#### MAJOR RESPONSIBILITIES:

- Identify price and credit risk parameters that are utilized by the Bank to evaluate Capital Market Products and interbank counter parties.
- Co-ordination between Line Departments and generation of proposals for structuring Treasury and Investment facilities.
- Assessing and enhancing existing risk reporting systems and integrating them into the Bank's overall Automation Program Plan.

We also are seeking support for our retail banking systems program and applications are invited for the following critical position within the Domestic Banking Division.

### TRADE FINANCE PRODUCT MANAGER

#### JOB REQUIREMENTS:

- Fully conversant with all aspects of trade finance, L/Cs and L/Gs.
- Experience in the implementation of automated letters of credit systems.
- Knowledge of Arabic would be an advantage.

#### KEY RESPONSIBILITIES:

- Product Planning
- Assisting in automated L/C system upgrades.
- Promoting, supporting and increasing the utilization of trade finance automation by and to corporate customers.

We offer fully competitive benefits packages together with Tax Free Salary, Housing Compound, Medical Coverage and Annual Home Leave.

Please fax your application with C.V. and details of current salary to fax: 9661 405-7553, Recruitment Department, Riyadh Bank, Riyadh.

ALL PREVIOUS APPLICANTS ARE ADVISED TO RE-APPLY BY FAX



## FINTECH (U.K.) Ltd.

### FOREIGN EXCHANGE SALES REPRESENTATIVES

#### WINDSOR - ENGLAND. ATTRACTIVE COMMISSIONS

The Position involves the marketing of technical foreign exchange and funds management services to banks, corporations and high net worth experts. The opportunity offers the challenge of building upon and adding to our worldwide client base in over 20 countries.

The Successful Applicants should have the ability to generate new business and act on his/her own initiative. A background in foreign exchange and experience in SELLING are necessary prerequisites and knowledge of foreign languages would be an advantage.

Please write with covering letter and full C.V. to:

Mr Donald R. Lewis, Managing Director  
FinTech (U.K.) Ltd  
14 High Street, WINDSOR, Berkshire SL4 1LD

## LLOYD'S of LONDON

### TERCENTENARY FOUNDATION

### TWO-YEAR POST-DOCTORAL RESEARCH FELLOWSHIPS

Lloyd's of London Tercentenary Foundation is a charitable trust which was established in 1988 by the Society of Lloyd's to mark its three hundredth anniversary. The principal objective of the Foundation is the advancement of medical, scientific, technical and business-related education and research.

In support of this objective, the Trustees intend to award a number of two-year Research Fellowships available from October 1993 in one or more of the following categories:-

- (a) Science and technology;
- (b) Medicine and health-care;
- (c) Business and related studies, including Insurance;
- (d) Safety or environmental studies;
- (e) Engineering.

#### Eligibility

Applications will be accepted from candidates of any nationality wishing to carry out research at an institution in the United Kingdom. They should hold a Ph.D. degree or MD qualification, which should have been awarded within the past four years, or where appropriate, to have equivalent research experience. Other than in exceptional circumstances, preference will be given to those aged 35 years or under.

#### Awards

The value of the award will provide for a relevant salary determined by reference to the applicant's age and experience. In the case of an applicant proposing to engage in research at a higher educational establishment the amount of the award will be related to the relevant university scale.

#### How to apply

Applicants should write to the Secretary of Lloyd's of London Tercentenary Foundation, at the address given below, requesting an Application Form and Instructions to Applicants, which give full details of eligibility requirements and the information required by the Trustees of the Foundation.

The closing date for completed applications is Friday 2 April 1993. The names of applicants selected for Lloyd's Fellowships will be announced during July 1993.

Lloyd's of London Tercentenary Foundation  
Lloyd's of London  
One Lime Street  
London EC3M 7HA

## BRANCH MANAGER

### BRISTOL

We are one of the world's largest banks with operations in over 80 countries. Our UK presence was first established more than 120 years ago and we have recently been expanding within the UK retail banking market, in key industrial and commercial centres.

We currently have a vacancy for a manager in our Bristol branch which is situated in Corn Street in the middle of the financial district of the City. We require an individual with a good local knowledge of the Bristol area and who has extensive experience in the running of a small busy office targeting the small and mid-corporate market. Applicants must be ACIB qualified with broad marketing experience and good credit analysis skills.

The office consists of six people including the manager and therefore applicants must be experienced in the management and motivation of individuals in a small team environment.

Whilst not essential, a knowledge of French is very desirable.

Salary and benefits are those associated with a major international bank and applicants are asked to indicate their current remuneration package on their application.

Interested applicants should forward their CV to Sue Randall, Deputy Personnel Manager, Credit Lyonnais, 84-94 Queen Victoria Street, London EC4P 4LX.



**CREDIT LYONNAIS**

### TRAINEE PARTNERS

Limited positions for ambitious individuals to work within specialist team of an Associate to a major world-wide organisation. Full training with potential for partnership and profit share within 12 to 18 months. Suitable for experienced Graduates and Professionals.

For further details please call JOHN KILBURN-TOPPIN on 071 248 4942

### The Top Opportunities Section

appears every Wednesday in the Financial Times  
For advertising information please contact:

Clare Peasnell  
071 873 4027

Elizabeth Arthur  
071 873 3694

FINANCIAL TIMES  
EUROPE'S BUSINESS NEWSPAPER



# Monolithic system in need of drastic reform

Stella Fearnley and Mike Page on the burdens the UK's auditing regime places on smaller companies

THE TIME has come to reform the UK's monolithic system of financial reporting and auditing, which applies virtually identical accounting and auditing requirements to all companies regardless of size.

Standards setters and the government have until now chosen to gloss over the problems the current system creates. In the present climate of reform, this gloss is beginning to wear very thin.

There have been a number of significant changes to the financial reporting and auditing regime in the last couple of years. Some recognise the differences between large and small organisations and those where public interest is involved, but many do not. While it was never admitted, the standards issued in the past by the now defunct Accounting Standards Committee and the Auditing Practices Committee were more geared to the listed and other large public interest companies. That trend continues under the bodies created more recently.

Unless some means of distinguishing these different groups is found, improved standards in large company accounting and auditing will be held back by the need to reflect the limited resources of small companies, and small companies will continue to suffer unnecessary burdens.

This creates a substantial imbalance. There are only about 2,100 domestic UK listed companies and a further 1,500 large private companies with profits over £500,000 and turnover greater than £15m.

That is a tiny proportion of the estimated 400,000 to 500,000 active

trading companies in the country. Similarly, just 161 firms audit all the domestic listed companies, and adding in the 1,500 large private companies brings the total to 300 auditors. That is a small fraction of the UK's 14,000 registered auditors, most of which never see a large client.

On accounting issues, the Financial Reporting Council and the Accounting Standards Board are overtly focused towards larger companies. Unless legal distinctions are made, their mission to tighten reporting will add substantial burdens to small companies.

The problem lies in company law, which makes no distinctions based on size. There is a concession which allows small companies to file abbreviated accounts with Companies House. But this adds work, since the law still requires full accounts to be prepared for shareholders.

The position is at least as bad for auditing as it is for accounting. Audit regulation applies the same rules to all auditors regardless of the size and risk profile of their clients.

The problem is illustrated in the recently published reports from the regulatory bodies on the first year of audit regulation, which indicate that many firms are falling short of the standards set by the regulators. We would not wish to excuse poor standards of work, but the application of auditing standards and guidelines in their present form to the audit of small companies is not easy.

The Auditing Practices Committee was created in 1976 in response to public concern about one or two scandals in large companies. It recognised

the different requirements of the small company by recommending a form of audit report with limitations on scope which are inherent in the audit of many small companies. But no really practical guidance was offered.

This form of report was withdrawn in 1989 to the indignation of many small firms. An exposure draft on the audit of small companies was issued by the committee shortly before its demise in 1991, but offered little advice on application. Since then little has happened. The Auditing Practices

## It is time that more attention was paid to the needs of small companies and their auditors

Board had small company audits at the very end of its list of objectives for 1992, but there has been no sign of a statement yet.

We are currently researching the impact of audit regulation on practices of different sizes. It is becoming apparent that sole practitioners are finding the new regime very arduous. Regulation is having the greatest impact on smaller practices where public interest issues are minimal.

There has been little effect on the conduct of audits in the large firms acting in the public markets. When asked about the effects of regulation, a partner from a large firm said: "There are no new messages and no challenges." By contrast, a sole practi-

tioner said: "In a word, devastating". A real concern for smaller firms was ignorance about what the regulators really expected and a genuine desire for more practical authoritative guidance which was not linked to commercial organisations.

This gulf between the auditors of small and large companies, and between the public interest areas and the low-risk small audits, became embarrassingly obvious last week at an open forum in Chartered Accountants' Hall in London, where the APB's paper on the future development of auditing was being debated.

The paper explores various ways in which the role of the auditor could be extended and independence strengthened in order to meet the "expectations gap" and recommends limitation of auditors' liability. It is explicitly directed at listed and public interest companies.

The small practitioners in the audience did not welcome the proposals, arguing that any change would affect everyone. One speaker claimed that the smaller firms were being "sucked into" the problems of the larger ones and that the costs of extending auditing would be another encouragement for companies to evade regulation.

Extending the scope of audits and limiting liability may have some attraction for the larger firms, which find it difficult to get insurance cover. Our research suggests that these issues are far less important for the auditors to, and the owner-managers of, many small businesses.

A partial solution to the difficulties of applying one set of standards and one regulatory framework to such a

diverse group might be the abolition of the statutory audit for small companies. But any change will take considerable time. More important, the government is currently only considering abolition for companies below the VAT threshold for turnover below £36,000 a year. Many small companies are above this limit.

The regime for audit regulation will be reviewed at the end of this year. It would be an appropriate time to consider whether the one set of regulations can be effective across the board, or whether the regime is too onerous for the small firms and insufficiently challenging for larger ones.

While concessions in accounting regulations for smaller companies may require changes to the law, the position is easier to remedy for auditing. Audit regulations require auditors to comply with auditing standards, but they do not specify what these standards should be.

That means the Auditing Practices Board could develop distinct, practical and meaningful guidelines for the audit of small companies, which comprise the overwhelming majority of UK businesses. It is time that a little more attention was paid to the needs of these companies and their auditors.

We do not believe it is realistic to apply the same accounting and auditing regime to the local sweet shop and to ICL. Nor is it sensible to expect the same standards to apply to a sole practitioner and to Price Waterhouse.

Stella Fearnley is Grant Thornton lecturer in accounting at the University of Southampton. Mike Page is Halpern and Wolf professor of accounting at the University of Portsmouth.

## FINANCIAL CONTROLLER

AUTOMOTIVE COMPONENT MANUFACTURER

To £40k + Car + Benefits

West Yorks

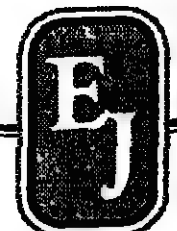
My client is an autonomous subsidiary of a highly successful group. Situated in the Leeds area, their expanding business has achieved strong growth in sales and profit in 1992, and the 1993 business plan forecasts a continuation of this trend. The appointment of a Financial Controller is key to the achievement of the Company's goals.

The task is to take a pro-active approach in identifying elements of the business where opportunities exist to improve financial performance and to enhance current operating systems. Reporting to the Chief Executive, your role will be to give strategic direction, whilst maintaining a hands-on approach to the running of the finance and accounts department.

Qualified, with in depth experience gained in a blue chip manufacturing company, you will need to demonstrate a broad understanding of business practice. This is an exceptional opportunity to contribute to the company's ambitious plans and to be rewarded accordingly.

Relocation expenses will be paid.

Interested candidates should send or fax career details and salary requirements to John Edwards at the address below.



EDWARDS JEFFERY

Edwards Jeffery Consultants  
Dominions House North  
Queen Street  
CARDIFF CF1 4AR  
Fax No: (0222) 239797

## SELECTION AND SEARCH

The Financial Times proposes to publish the CIMA Stage 4 Examination Results on Thursday 4th February. Please call Mark Hall-Smith on 071 873 3460

## Group Accounting

Major Services Group

c.£50,000 + car & substantial benefits

Central London

New senior specialist role reporting at director level in high profile, commercially driven public group with autonomous subsidiaries, a substantial capital expenditure programme and demanding financial targets.

### THE POSITION

- Facilitate best practice and ensure due diligence throughout the group.
- Implement and maintain group wide accounting policies and standards.
- Manage, through a small team, all tax affairs including EC aspects, and the production of the annual statement.

### QUALIFICATIONS

- Robust, technically strong Accountant, probably ACA. Minimum ten years senior financial accounting and tax experience gained from the profession or a tightly controlled commercial group.
- Commercial, inquisitive and creative hands on manager. Credible at all levels.
- Authoritative leader with strong interpersonal skills.

Please write, enclosing full cv, Ref M0429  
54 Jermyn Street, London SW1Y 6LX

N B SELECTION LTD  
a Norman Broadbent International  
associated company

N.B.S.

London 071 483 8392  
Bristol 0272 291142 • Glasgow 041 204 4354  
Aberdeen 0224 638060 • Slough 0753 819227  
Birmingham 021 233 4656 • Manchester 0625 539953

## ACCOUNTANT/CONTROLLER

Germanic Countries  
USA Multinational

German/English speaking accountants with a strong, pleasant personality, being customer focused, and able to be assistant to the manager of a 50 staff sales division, job based in Germany, some travel. PC based accounts, domestic and USA reporting, fantastic growing profitable company - excellent career prospects. Fax CV/business card in confidence for a more detailed information exchange Ref: 216 to:

John Weeks, 12  
Crosby, Bursage,  
Meriborough,  
Wiltshire SN8 3TL England  
Fax: 0672-811148

## Commercial Director

East Grinstead  
Circa £40,000

Reed Information Services is a leading UK provider of business-to-business information across a wide range of professional and commercial sectors. It publishes such well known titles as the Companies and Kelly's Directories and The Bankers' Almanac.

It now wishes to recruit a new Commercial Director to be a key member of the senior management team and report to the Chief Executive. Responsibility will be for a substantial team dedicated to maintaining strict financial and management accounting reporting in accordance with divisional and Reed International procedures.

With increasing commercial and technological demands the business faces exciting challenges to expand internationally, both organically and possibly by acquisition. This in turn

requires the continual development of financial systems and business strategies to improve profitability and maintain sound long-term growth of the business.

In addition to excellent technical financial skills the Commercial Director, a qualified accountant and preferably a graduate or MBA, must possess a keen commercial awareness, be a good communicator and negotiator and certainly be a highly team oriented individual.

Ideally applicants should be in their 30's with at least 5 years' experience in a senior financial role and with recent broadly based commercial experience. There are excellent career prospects and a generous benefits package.

Please reply, in strict confidence, enclosing a CV, stating current salary and any other relevant information in Colin Hookes FCA, IFW Advertising, Recruitment Division, 8 St Georges Yard, Castle Street, Farnham, Surrey GU14 7LV.



REED INFORMATION SERVICES

## FINANCE DIRECTOR

Whisky - Scotland  
Senior Executive Role

William Grant & Sons is a major force in the global whisky market with brands which include the 6th largest standard whisky and Glenfiddich, the world's leading malt whisky. They are going through another exciting phase in their long and innovative history and are currently reaping the benefits of recent investment in diversification, joint ventures, production and bottling equipment. A new corporate HQ and state of the art bottling facility will open next month.

They now seek to recruit a top class Finance Director to replace the current Finance Director who is moving abroad to another role in the group. Reporting to the young MD and as a member of the 5 person Executive Committee, you will oversee the finance function and have a major involvement in the management of this

interesting and highly profitable private company which has a turnover approaching £200 million.

Your career will have included a spell as Financial Controller in a large scale production environment with sophisticated MIS, and more recently the senior finance role, possibly in a private company, where long term financial and tax strategy plays a major part.

This is a senior role and the remuneration package, which will be pitched at the top levels for Scotland, will attract high calibre candidates who seek the quality of life and schooling in Scotland, plus the stimulus of a mix of multi-site manufacturing, truly global distribution, long term (because of private status) financial and tax planning and true involvement in general management. Relocation to central Scotland will be assisted.

To apply, please send your career details to Douglas Kinnaird, CA, quoting ref: 5907/FT, PA Consulting Group, Number Two Blythswood Square, Glasgow G2 4AD.

PA Consulting Group

Creating Business Advantage

Executive Recruitment • Human Resources Consultancy • Advertising and Communications

## FINANCIAL CONTROLLER - SPAIN

a key role in the control of the business and the achievement of its strategic and financial objectives. You will be responsible for all aspects of financial management, reporting of trading performance both to local management and to the UK HQ or BHI, the development of financial and business plans, and the evaluation and control of the General Manager to whom you will report.

To be successful in this challenging role you will possess excellent technical and professional skills, commercial experience most probably gained in a multinational (ideally marketing-led) environment, and the personality and communication skills to allow you to play an influential role in the management team.

The benefits package will reflect the progressive remuneration and relocation policies of BHI and The Boots Company, and longer-term career prospects, whether in the UK or Europe, are outstanding.

For further information and a confidential discussion, contact Neil Wax or John Bowman on 071-387 5400 (evening 0923 819286), or write/fax your full CV and salary details to them at Financial Selection Services, Drayton House, 30 Gordon Street, London WC1H 0AN (Fax 071-388 0857).

Our People - Our Future



BOOTS HEALTHCARE INTERNATIONAL

## BROAD IMMEDIATE CHALLENGE, EXCEPTIONAL CAREER OPPORTUNITIES GROUP AND FINANCIAL REPORTING

Our client is one of the largest, international organisations in its sector of fmcc and is in turn part of a UK plc with an impressive track record of profitable growth.

As part of its continual development and expansion plans this new position has become available. The key objectives of the role are to assist in the production and review of the divisional consolidated data and to provide technical advice and guidance as required. Specifically you will be involved in:

- Preparation of interim and full year financial statements.
- Accounts consolidation (involving all stages of the process including planning, review of data etc).
- High profile liaison with Group Head Office and external auditors.

You will be required not only to perform and enhance the role to the highest standards but as the client is keen to develop people within the group you must also demonstrate excellent interpersonal skills. You will be:

- A newly, recently qualified accountant trained with one of the 'big 6' firms, with experience of a large group consolidation (preferably but not essentially in the currency).
- Good PC and spreadsheet experience are essential.

If you feel that you are able to respond to the above challenges and would like to hear more about the immediate role and the longer-term prospects you should call Karen Wilson on 071 405 4161 or write to her at FMS, 5 Breems Buildings, Chancery Lane, London EC4A 1DY enclosing a recent CV and a note of current salary.

LONDON

YOUNG ACA

£25-29,000PA  
PLUS FE CAR

High calibre Accountant/MBA for international strategic project analysis

## MANAGER, SPECIAL PROJECTS

Our client is a highly successful multinational subsidiary of a Fortune 500 Group, with an outstanding record for growth and innovation in demanding world-wide markets. Proactive and sophisticated financial management has played a significant role in their success, and this new appointment will further strengthen the Company's headquarters finance function. As a senior member of the team reporting to the Director of Financial Planning & Analysis, but also working closely with the Chief Financial Officer, you will be wholly responsible for a diverse range of ad-hoc projects (including the development of product profitability systems), strategic issues, and commercial investigations all having a material impact on the medium and long term performance of the business. These projects will lie outside the regular budgeting, planning and reporting process and will provide exposure to all aspects of the business, its operations, products and markets.

This demanding non-routine role will challenge the analytical and creative skills of a numerate and computer literate accountant or MBA with commercial flair and a logical but pragmatic approach to problem solving. You will be highly motivated, with excellent presentation and communication skills, and more likely have at least 2-3 years' relevant business experience gained in a dynamic multinational environment. Occasional travel will be necessary and a good level of fluency in at least one European language (ideally German) would be a major asset.

This role is seen as a high-profile entry point into the organisation and requires an outstanding candidate to benefit fully from future career opportunities. For further information and a confidential discussion, contact Neil Wax on 071-387 5400 (evening, 0923 819286), or write/fax your full C.V. and salary details to him at Financial Selection Services, Drayton House, 30 Gordon Street, London WC1H 0AN, (Fax 071-388 0857).

## APPOINTMENTS WANTED

### EUROPEAN FINANCE EXECUTIVE

C.A., UK National in late 30's, based in Paris/London, bilingual - experience as Finance Director responsible for UK, France, Holland, Switzerland, Luxembourg and Spain. Previously manager in "Big 6" audit firm.

Experience in financial services, property and commercial sectors. Knowledge of UK, US and international reporting but I am not only a "numbers" man but will contribute to business with enthusiasm and overall commercial skills.

I seek either short term assignments or a full-time position based in the UK or the continent. References.

Write to Box A687, Financial Times, One Southwark Bridge, London SE1 9HL

هكذا من العمل



## GROUP FINANCE DIRECTOR TO £55K + CAR HIGH GROWTH COMPANY SOUTH EAST SCOTLAND

This highly innovative company is established in the manufacturing and fulfilment of software packages, throughout Europe, for the international software publishing industry. Turnover is £12 million and there are over 250 employees.

An opportunity now exists for a highly motivated, pro-active, experienced professional to lead its Finance Team and provide a significant contribution to the commercial activities of the company.

Responsibilities will include the ongoing development of Management Information Systems within the Group, together with the broadening of relationships with financial institutions.

Responsibility at Main Board level will ensure active participation in the development of a dynamic, profitable, growth-oriented business. Candidates will have gained their commercial experience operating within a hi-tech manufacturing environment, ideally in the publishing/packaging industry.

The attractive remuneration package will include Director's bonus, private medical insurance and a non contributory pension scheme.

Suitably qualified applicants are requested to submit full CV details to:  
Penny Hardie, Human Resource Manager, McQueen Ltd, Nether Road, Galeshills, Scotland TD1 3HE. Tel: 0896 4866.

**MCQUEEN**

## APPOINTMENTS ADVERTISING

appears every  
Wednesday &  
Thursday  
& Friday  
(International  
edition only)

For further  
information please  
call:

Tricia Strong on  
071-873 3199

Andrew Skarzynski  
on  
071-873 3607

Mark Hall-Smith on  
071-873 3351

JoAnn Gredell  
New York  
212 752 4500

## Financial Planning Manager

c DM150,000 p.a. - Frankfurt

Our client is a European Division of one of the leading American multinationals with substantial interests in a very strong specialist consumer market.

The European HQ is based near Frankfurt and has responsibility for a major manufacturing and distribution capability plus sophisticated marketing and sales affiliates in all Western European countries in addition to an increasing presence in Central Europe.

They now wish to appoint a graduate accountant or CPA to take responsibility for financial planning and analysis for the \$800 million sales of their subsidiaries and affiliates in Europe, a task which involves mastering complex pricing and margin data for short-, medium- and long-term financial planning purposes and requires sound technical skills particularly in relation to multi-currency accounting issues. The position reports to the European Financial Controller and has high visibility with all the operating entities in Europe in addition to corporate HQ in the USA.

Applicants must be qualified graduate accountants, whose academic, professional and career progression demonstrates top-level attainment. Leadership qualities and several years' supervisory experience in the profession or in a large international fmcc group similar to the client is required. A strong career orientation together with the drive, energy and personal mobility to follow through is essential to the management succession requirements which will lead to controllership and/or senior HQ opportunities in Europe and the USA. European languages would be an advantage but are not initially essential. Age guideline 28-32.

Please apply in confidence quoting ref. L52810.

Brian H. Mason,  
Mason & Nurse Associates,  
1 Lancaster Place, Strand,  
London WC2E 7EB.  
Tel: 071-240 7805.

**Mason  
& Nurse**  
Selection & Search

## INTERNATIONAL AUDIT MANAGER

German Speaker

to £45,000 + Car

With a turnover approaching £5bn and a network of production sites and distribution centres spanning the globe, this prestigious British plc has become a world leader in its industrial market sector. The role of International Audit Manager is a new one and reflects the importance our client places on its rapidly expanding export business.

Reporting to the Head of Group Audit, the successful candidate will manage a small team and be responsible for developing and implementing the international audit strategy. This is a high profile role offering significant personal autonomy. The emphasis will be on Western Europe, North America and the Far East and this will entail a high level of overseas travel.

Candidates should be qualified accountants, probably in the 30-45 age range, with in-depth audit experience gained in a leading practice or blue chip group. We are looking for

someone with a well developed international outlook, strong leadership skills and credibility at the highest levels. A sound knowledge of German is essential and experience of auditing in Europe would be a distinct advantage. Whilst the company would prefer to locate this job in London, it is happy to consider candidates living near an international airport elsewhere in the UK or Europe.

Along with a generous remuneration package, which includes a bonus, this appointment offers challenge, job security and real scope for career development either within or outside audit.

Please reply, in confidence, giving concise career, personal and salary details to Paul Carvoso, quoting Ref. L893.

Egor Executive Selection  
58 St. James's Street  
London SW1A 1LD (071-629 8070)

**EGOR**  
EXECUTIVE  
SELECTION

United Kingdom · Belgium · Denmark · France · Germany · Italy · Netherlands · Portugal · Spain · Switzerland

## FINANCIAL CONTROLLER JERSEY

Our client, a prestigious and long established Jersey company whose interests extend into the UK wishes to recruit a Financial Controller for one of its trading subsidiaries.

The successful candidate will take an active role in the management of the company and will report to the Managing Director. He will be in charge of an accounting team whose responsibilities include budgetary control and management reporting as well as financial accounting.

Previous retail experience would be preferred and Jersey residential qualifications are required.

This expanding company offers opportunities for advancement and a competitive remuneration package, including pension and a company car.

Applications will be treated in the strictest confidence.

Please send a full curriculum vitae to:

Experience of computerised systems is essential and applicants should have held a recognised accounting qualification for at least 5 years.

Box A692,  
Financial Times,  
One Southwark Bridge,  
London SE1 9HL

## Plant Controller

Oxfordshire

to £30,000 + Car + Benefits

Our client is one of the UK's largest companies specialising in corrugated packaging with a turnover in excess of £130m. As market leaders in their field, the company supplies most of the major companies in the food and drink industries, as well as engineering, electrical, industrial and other manufacturing sectors. The company is committed to a decentralised management structure. It comprises a number of manufacturing plants, each enjoying considerable financial and commercial autonomy combined with the constructive support of a corporate office team.

They currently seek a Plant Controller to join the management team of their Oxfordshire plant which has been developed as a state-of-the-art corrugated board producer. The Controller will assume total control of the local finance function, including the management of six members of staff. Reporting directly to the Plant Director and functionally to the Group Finance Director, responsibilities will include:

- Provision of pertinent, timely and constructive management and statutory information on a monthly, quarterly and annual basis.

- Planning, forecasting, budgeting and cash flow management.
- Systems development and enhancement.
- Active involvement and contribution to the management and profitability of the business with specific emphasis on stock control and pricing issues.

Candidates should be qualified accountants with at least two years post qualification experience in a manufacturing or process industry and possess demonstrable costing and systems knowledge. Common sense, commercial awareness, and the ability to manage people are pre-requisites of the role. Flexibility and ambition are also key factors as career opportunities, both in Finance and General Management, are secured within the company.

Interested candidates should send their curriculum vitae to:  
Anne Willsie ACA at Michael Page Finance,  
Windsor Bridge House, 1 Berwick Street,  
Blox, Berkshire SL4 6BW. Please quote  
reference: 116711.

**Michael Page Finance**  
Specialists in Financial Recruitment  
London Bristol Windsor St Albans Leatherhead Birmingham  
Nottingham Manchester Leeds Glasgow & Worldwide

## ABBOTT MEAD VICKERS PLC

### Assistant Company Secretary

London

c £35,000 + Car + Benefits

Founded in 1985, Abbott Mead Vickers PLC is now a leading advertising and marketing services group with turnover in excess of £160m. Within the fiercely competitive advertising industry they have consistently out-performed the majority of their competitors with powerful campaigns for such clients as Volvo, J. Sainsbury, Yellow Pages and Pepsi-Cola.

A challenging opportunity has recently arisen for a mature and experienced individual to assist the Group Finance Director in a number of key areas.

Most notably you would assume full responsibility for the completion of all statutory returns, administration of the company share schemes, together with all pension, life assurance and PHI arrangements.

The role will also encompass general insurance matters, health and safety issues

and a wide range of other company secretarial duties. Substantial liaison will be required with the company's lawyers in relation to client agreements and copyright.

Aged over 35, you are likely to have gained extensive experience within the advertising industry, however consideration will be given to those working in a related service orientated environment. Significant emphasis will be placed on the personal qualities of the individual, in particular the ability to command respect and confidence from those around you.

Interested candidates should forward their curriculum vitae no later than 8th February to Nigel Milford, quoting ref. FT209, at Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LH.

**Michael Page Finance**  
Specialists in Financial Recruitment  
London Bristol Windsor St Albans Leatherhead Birmingham  
Nottingham Manchester Leeds Glasgow & Worldwide

## INTERNAL AUDIT MANAGER

Attractive salary + car & benefits · Victoria, London

Iron Trades Insurance Company Limited is an established force in the field of insurance. We have entered the 1990's with a strengthened management team charged with the responsibility to implement progressive and far-reaching strategies.

In this senior role, you will be spearheading a stage in this initiative by developing and managing a new internal audit function at our Head Office, to look into every facet of our business. You will also make a significant contribution to completing the installation of a major new computer system.

This high-profile position would suit a computer literate qualified auditor who is prepared to take the initiative and make their mark in a hands-on

management role. It follows that it would be an advantage if you already have internal audit experience within the general insurance sector, however, we would consider someone from the profession whose experience has been gained in a senior audit management role.

In addition to the attractive salary our benefits package will reflect the importance of this position. Please write with your CV to: Russ Hardiman, Personnel Services Manager, Iron Trades Insurance Company Limited, 21/24 Grosvenor House, London SW1 7JA.

Iron Trades Insurance Company operates a no-claims policy.

**IRON TRADES**  
Insurance Company Limited

## CORPORATE FINANCE EXECUTIVE

London

27+

To £40K + car

We are a leading corporate finance boutique advising acquirers, vendors and MBO teams on deals usually worth between £2 million and £50 million. To meet increasing demand for our services, we need to recruit another executive:

- preferably a qualified chartered accountant or lawyer
- with demonstrable deal experience in acquisitions and disposals, gained working for a quoted group or a corporate finance department in the City
- a second European language would be helpful
- keen to work in a demanding, entrepreneurial and meritocratic environment, which offers opportunities to earn promotion and high financial rewards

Please send your CV, details of your present salary and a daytime telephone number to Barrie Pearson, Executive Chairman,

Livingstone Fisher plc  
Acre House, 11-15 William Road, London NW1 3ER

**LIVINGSTONE FISHER**  
The Acquisition & Disposal Specialists  
A Member of FIMBRA

## HEAD OF INTERNAL AUDIT AND INSPECTION - MIDDLE EAST LOCATION - Excellent tax-free salary plus benefits.

Our client is a leading Middle East Bank with a large retail and corporate client base through a dominant branch network.

They are seeking a senior banker, who is also a graduate accountant and who has experience of developing and managing a successful and effective Internal Audit and Inspection Division. Interested candidates should contact either...

Brian Jarvis - General Manager  
Jonathan Wren International,  
PO Box 11947 Diplomatic Area,  
Manama, Bahrain.  
Tel: 010 973 532582 Fax: 010 973 532604

Helen Hight - Senior Consultant  
Jonathan Wren & Co. Limited,  
Financial Recruitment Consultants  
No. 1 New Street, London EC2M 4TP  
Tel: 071-623 1266 Fax: 071-626 5259

**JONATHAN WREN INTERNATIONAL**



To £50,000 + benefits

International Conglomerate

City

**Strategic and Financial Analyst**

The ideal stepping stone for a bright, commercially-minded analyst to join the core of this major finance team. A critical position created to support varied one off projects as part of an important process of change. Exceptional prospects for onward progression into a line role within a year in this worldwide business.

**THE ROLE**

- Part of a small close-knit team reporting to the Group Finance Director. Concentrate on broad range of key financial and operational projects with internal and external emphasis.
- Lead financial analysis and planning initiatives aimed at improving current business performance or evaluating potential expansion opportunities.
- Play an influential role in instilling new disciplines across management accounting, cashflow control and competitor analysis, for the different businesses within the group.

**THE QUALIFICATIONS**

- CIMA, ACA or MBA, probably late 20's, with direct experience of a finance function, preferably Head Office. Highly numerate and computer literate. European language skills helpful.
- Outstanding intellect with aggressive commercial approach to project orientated work. Analytical by nature, capable of delivering macro and micro financial planning.
- Confident and at ease working with board level management. Excellent presentation skills. Ambitious and energetic with a real interest in being close to decision makers.

London 071 973 8484  
Manchester 061 437 0375

**Selector Europe**  
A Spencer Stuart Company

Please reply, enclosing full details, to:  
Selector Europe, Ref. F9058013L,  
16 Connaught Place,  
London W2 2ED

c. £45,000 package

Leading UK Charity

Central London

**Director of Finance**

A newly defined role as part of the executive management team of one of this country's foremost voluntary organisations, with a worldwide reputation and network. Growing membership, increased revenues and challenging plans for the future call for the appointment of a strong finance professional to strengthen the financial underpinning of its activities and assist in bringing these plans to fruition.

**THE ROLE**

- Reporting to and working closely with the Chief Executive with full responsibility for financial reporting, controls and systems, providing both creative and financial input to strategy and planning.
- Leading the development and implementation of effective information systems to improve decision making and timely reporting.
- Managing and developing around a dozen staff, forging closer links with the different parts of the organisation, relating their revenue and capital requirements to overall policies and objectives.

**THE QUALIFICATIONS**

- ACA/FCA with a minimum of five years' post-qualification experience in a commercial/service led organisation. Successful track record of upgrading management accounting in a time of change.
- Record of implementing MIS and rigorous financial disciplines and the team management of an accounts function. Strong planning, budgeting and forecasting skills.
- Adaptable and sensitive with credibility at all levels. An imaginative thinker and excellent communicator with the ability to make things happen. Strong sense of commitment to charitable aims.

London 071 973 8484  
Manchester 061 437 0375

**Selector Europe**  
A Spencer Stuart Company

Please reply, enclosing full details, to:  
Selector Europe, Ref. F9058013L,  
16 Connaught Place,  
London W2 2ED



**Excellent Opportunities for  
High Calibre Operational Finance Managers**

**Farnborough, Portsmouth,  
Sevenoaks, Portland (Dorset)** **To £35,000  
+ Relocation Package**

The Defence Research Agency is an Executive Agency of The Ministry of Defence. The mission is to be the prime provider of technical advice to the MOD. It also provides advanced technical services to other Government departments and to private industry. Under the leadership of a Chief Executive recruited from industry, it is undertaking a dramatic programme of change, to become a progressive, professional and efficient commercially-run organisation, whilst preserving traditional scientific excellence, objectivity and international standing.

These changes have generated the need to recruit a number of young, dynamic, commercially minded Finance Managers.

**Financial Controllers – Farnborough, Portsmouth, Portland, Sevenoaks**

All four positions report to the Group Financial Controller and will form part of the core team of senior financial managers who develop and implement financial management for the organisation. The roles are highly operational in nature, and responsibilities will include the development of systems and controls, the co-ordination of annual budgets and forecasts, the review and analysis of divisional reports, and the provision of timely financial and management information for senior management.

Candidates should be qualified accountants (aged 28-35) with substantial experience gained in an operating division of a large company environment. The ability to manage substantial teams, while communicating with individuals at all levels throughout the organisation is essential.

**PA to Group Financial Controller – Farnborough**

Working closely with the Group Financial Controller, this position is seen as an ideal entry point for an exceptional young accountant. Responsibilities will encompass ad hoc projects in relation to eleven operating subsidiaries, preparation of monthly and quarterly reports, annual consolidations, and the analysis of divisional performance.

Candidates should be qualified accountants (aged 24-28), currently either working within public practice or a large corporate environment. The ability to influence and manage change, in addition to strong communication skills is seen as essential.

**Management Accountants – Farnborough**

These roles support the Financial Controllers in the preparation of management reports, analysing results and the development of systems.

Candidates should be qualified accountants with experience of working in a large corporate environment in a similar role.

Benefits for these positions, include an excellent remuneration package, the opportunity to gain senior management exposure, and the potential to develop a stimulating career based entirely on merit. Relocation costs will be paid where appropriate.

The appointments will initially be for a fixed term of three years.

The DRA are an equal opportunities employer.

For further information contact Robert Walker or Brian Hamill, in strict confidence, on 071-287 6285 (evenings and weekends 0798 831413). Alternatively, forward a brief resume to our London Office quoting Ref: RW1303.

**WALKER HAMILL**  
Financial Recruitment Consultants

29-30 Kingly Street Tel: 071-287 6285  
London W1R 5LB Fax: 071-287 6270

**Group Financial  
Controller**

**Outstanding ACA**

North London

**To £50,000 + Car  
+ Bonus**

Our client, the UK operating subsidiary of a leading global financial services group, is poised to undergo a period of growth; the first phase of which will be primarily organic. A recently appointed high calibre management team coupled with an increased commitment to product innovation, and a corporate strategy orientated towards the provision of superior customer service, will create substantial domestic business opportunities. The company culture is both competitive and entrepreneurial.

There now exists a requirement to augment the management team with the appointment of a Group Financial Controller. Reporting to the Group Finance Director, and managing a team of 20 staff, the appointee will be primarily responsible for the financial management of the group's operations. Specifically, this will encompass financial control, financial planning, treasury, taxation, and systems development issues. In addition, the successful candidate will be expected to actively contribute to the development of group strategies through a commercial and practical approach.

This opportunity will appeal to a high calibre ACA (aged 28-35) with an outstanding record of achievement in either a commercial organisation or 'Big Six' public practice. The ability to liaise with professionals at a senior level, impartially assess organisational problems, motivate and improve the performance of the existing finance function, and constantly adapt in a fast moving and challenging environment are essential.

The benefits include an attractive remuneration package, company car, discretionary bonus, and the opportunity to develop a stimulating career within this high profile international group.

For further information in strict confidence contact Brian Hamill or Robert Walker on 071-287 6285. Alternatively, forward a brief resume to our London office quoting ref: RH666.

**WALKER HAMILL**  
Financial Recruitment Consultants

29-30 Kingly Street Tel: 071 287 6285  
London W1R 5LB Fax: 071 287 6270

**Outstanding  
Insurance  
Professionals**

**A senior supervisory role  
with regulatory responsibilities.  
Up to £36,019 (plus benefits)  
or higher for exceptionally  
qualified candidates.**

**dti**  
the department for  
Enterprise

The Department of Trade and Industry is responsible for the authorisation and supervision of insurance companies carrying on business in the United Kingdom. At a time of rapid development in the financial services sector throughout Europe this is a role which calls for the highest professional qualities, expertise and analytical ability.

To help us meet the challenge of protecting policyholders, while allowing industry the freedom to compete effectively, we need one or two senior insurance professionals to play a largely independent role on our supervisory team. Part-timers able to work at least 30 hours per week will also be considered.

Responsible for the supervision of insurance companies, you will lead a small team monitoring the financial position of around 100 companies and non-life companies and taking the necessary action to protect policyholders.

Importantly, you will be able to establish personal credibility and good working relationships with top management within the industry at large, as well as with colleagues within the Department and other regulatory organisations at a senior level. A high level of expertise in insurance assessment and claims reserving for non-life business is necessary. A professional accountancy qualification would be a great advantage.

A salary of between £25,330 and £36,019 will be offered depending upon qualifications and experience. Up to £44,390 may be available for those with exceptional qualifications. The post also attracts an inner London weighting of £1,750 per annum, annual performance related increments, generous leave allowance and a non-contributory pension scheme.

Appointments will initially be for three years with the possibility of an extension. Alternatively, we are interested in people able to join us for two to three year secondments.

For further details and an application form (to be returned by 11th February 1993) write to Recruitment & Assessment Services at the address below.

THE CIVIL SERVICE IS AN EQUAL OPPORTUNITY EMPLOYER

**RAS**

Recruitment & Assessment Services, Alencon Link, Basingstoke, Hants RG21 1JB.  
Telephone Basingstoke (0256) 468551. Please quote reference B/1821.

Recruitment  
& Assessment  
Services

Putting People And Service First

**Financial Controller**

Tenerife, Canary Islands  
c. £35,000 + Bonus

International development group operating in the leisure sector seeks a hands-on, self-motivated accountant to take over responsibility for the finance and administration function of its Sales and Marketing Division in Tenerife. Assistance with relocation will be provided.

Reporting to the Finance Director, you will be responsible for:-

- Providing timely and accurate management and financial reports for a number of legal entities in a high volume, multi-currency environment;
- Consolidation of results of the Group's Tenerife operations;
- Budgeting, forecasting and cash flow management;
- Upgrading and improving management information systems;
- Administration of personnel department.

**Profile:**

- Qualified accountant aged up to 35 years;
- Experienced in implementation of accounting and management information systems;
- Considerable consolidation experience;
- Experience of working in Spain or knowledge of Spanish would be a distinct advantage.

Please reply with detailed CV to:  
Finance Director, ATDS Ltd, 44 Davies Street, London W1Y 1LD.

**FINANCE DIRECTOR**

This is a rare opportunity for a Finance Director to significantly impact a rapidly expanding and highly ambitious film sales and distribution company. As a UK subsidiary of a forward thinking and progressive multi-national entertainment company, very significant growth is projected over the next few years.

Due to an internal restructuring, we now seek to appoint a Finance Director of the highest calibre to meet the demanding objectives that are being set. Reporting to the Managing Director, your responsibilities will include:

- Pro-active involvement in the timing and accurate production of monthly financial and management information.
- The motivation and development of a strong finance function.
- Strategic analysis, financial planning and commercial input into long term business development.
- Pre and post acquisition reviews ensuring the successful integration of newly acquired business into the group.

A qualified ACA, aged between 28 to 35, you must be technically adept and have first hand experience of working in a media based company. You must also have hands-on management expertise. Strong communication skills, self-confidence along with an energetic style of management are key attributes for this position. We are interested in discussing this opportunity with candidates who can demonstrate an impressive record of achievement in their careers to date and who are now seeking a fresh challenge. Long term career opportunities will exist for those coping with exploiting the massive potential that this group can provide.

Interested candidates should apply in writing to Joy Hamlyn, Personnel Manager, PolyGram International Ltd., 30 Berkeley Square, London W1X 5HA. Fax: 071-409 1236.

**PolyGram**

**APPOINTMENTS  
WANTED**

**AN ENERGETIC  
AND WIDELY  
EXPERIENCED  
INTERNATIONAL  
FINANCE  
DIRECTOR**

Currently based  
Thames Valley  
specialising young,  
high growth sales &  
marketing lead  
organisations.  
Seeks new  
opportunities – full  
or part-time.

Please write to:  
Box A675,  
Financial Times,  
One Southwark Bridge,  
London SE1 9HL



## Finance Director Industrial Products Distribution

North West

Package to £60,000 + Executive Car

Our client, a British plc and a major player in the European industrial services market, seeks an experienced Finance Director for its core UK business - an autonomous division supplying industrial products to a wide spectrum of British industry through a national network of branches.

A member of the Board, this wide ranging role will have overall responsibility for the Finance and Accounting, IT, Company Secretarial, Human Resources and Training functions.

Candidates, preferably in the age range 37-45, must be qualified accountants and will already have attained Director level in a major company in the distribution or retail sector. A record of achievement in the financial control of a fast moving, customer oriented operation is essential, as is familiarity with real time computerised financial and stock control systems.

Candidates should write, setting out how they meet this specification, enclosing a full CV and quoting reference number H/3040 to The Advising Consultant, c/o Moxon Dolphin Kerby, Gilbert Wakefield Lodge, 65 Bewsey Street, Warrington, Cheshire WA2 7JQ.

MOXON-DOLPHIN-KERBY  
NORTHERN

## Finance Manager

North West

c £27,000, Car, Benefits

This is a newly-created NHS Trust which is committed to providing the highest possible level of hospital and community care within its £32M budget. The client seeks to enhance its management team by appointing a commercially minded accountant to be responsible for all financial aspects of business development for the six semi autonomous profit centres within the Support Services Department. Reporting to a board director, the primary tasks will be to establish costing systems and pricing policies to aid the selling of services, both internally and externally. Professionally qualified, ideally with an MBA or equivalent, you must have significant experience of the cost and management function as well as implementing associated systems. You should also have knowledge of dealing directly with a sales and marketing function, preferably in a service industry.

If you relish the challenge of developing a new position with a wide-ranging brief, where tact and diplomacy go hand in hand with imagination and ambition please send your CV to: Mr J.H. Thompson, Hoggett Bowers plc, 1 Derby Road, Fulwood, PRESTON, PR2 4JL, 0772 712626. Fax 0772 712282, quoting Ref: M27008/FT.

## Hoggett Bowers

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, EDINBURGH, LEEDS, LONDON, MANCHESTER, NEWCASTLE, WINDSOR and representation throughout EUROPE

## Financial Director

A hands-on post with an ambitious advertising agency Group

Hill Murray is a successful group of three companies comprising a financial advertising agency, a design group and a marketing communications company.

Our Financial Director is seeking to retire in the near future and we wish to appoint a successor who will adopt a dynamic and "hands-on" approach to the financial and administrative management of the Group. The Accounts Department is small and the right applicant needs to be comfortable with volumes of day-to-day detail as well as the more strategic aspects of the work.

We anticipate that the right candidate will be 35-45, a Chartered Accountant with experience in the implementation and use of IT systems in financial management. Experience in advertising or related businesses would be an advantage.

A package of £35/45k is offered, together with the prospect of Share Options at a later date.

Please write, with CV and references, to: Roderic Hill, Hill Murray Group Ltd., 5 Giltspur Street EC1A 9DE.

HILL-MURRAY

Shaping a new era for Britain's car industry...

Senior Specialist  
c£30k + Lease Car & Benefits  
Burnaston, Derbyshire

未来

CREATING THE FUTURE TOGETHER

Toyota's £700 million car assembly plant at Burnaston was completed on schedule. The same commitment to excellence through teamwork is now reflected in the new Corolla E which started production - again to plan - in December.

Exceptional in many ways, not just in manufacturing techniques but also in the single status working environment, this major venture will ultimately employ 3,000 people and accelerate Britain's export drive through production of 200,000 cars a year.

This senior financial accounting position will present a stimulating challenge for a Chartered Accountant with man-management experience who has already held a Financial Controller post in industry. In addition to being familiar with the demands and disciplines of large company accounting, the post

demands in-depth knowledge of VAT, Duty, Export procedures, invoicing and multi-currency transactions, together with the skills to continue the evolution of high-quality systems.

If you have these abilities this is a superb career opportunity at an exciting time for someone with an open mind, a flexible attitude and a talent for teamwork. A generous package includes an excellent pension scheme, private health care and relocation assistance where necessary.

If you're ready to help us create the future, please send your full CV to Mrs Kathy Worsfield, (Ref FT/1), Human Resources Division, Toyota Motor Manufacturing (UK) Ltd, Burnaston, Derbyshire DE1 9TA.

Toyota Motor Manufacturing (UK) Ltd is an equal opportunities employer.



TOYOTA

## Finance Director

Substantial package West London

Fosroc Expandite is one of 26 companies in Burmah Castrol's Construction and Mining Chemicals Division. With a turnover of £38m and some 450 staff, it is also the largest, and strategically most influential, company in the Fosroc International Group.

You will identify and meet the company's needs in accounting, administration, credit management, computing and financial analysis, and have direct responsibility for collecting sales income and minimising bad debts. There is a strong advisory/analytical aspect to the role, and as a member of the Management Committee you will have considerable influence in the development of our overall business strategy.

With a team of 24 people, the post calls for effective interpersonal skills and a creative approach to leadership as much as a strong commercial background. Since you will also act as Company Secretary both to this company and Expandite (Ireland) Ltd, some knowledge of Irish tax and law would be an asset. You will be a professionally qualified accountant with at least ten years' experience in an accounting environment, and five years' experience in a senior role in industry where colleagues are not accountants. Direct experience of designing/choosing and implementing computer systems is essential.

Together with a competitive salary and career prospects that span the whole of the Burmah Castrol Group, there is a benefits package that includes company car, contributory pension, free family medical cover, Management Incentive Scheme and relocation expenses.

For further information please contact Katrina Severn, our consultant, on 071 439 5781 (office hours) or 081 677 2408 (evenings 7pm - 9pm). Alternatively you can write to her at the address below. Please quote reference A273.

The right chemistry for construction and mining

FOSROC Fosroc Expandite Limited

Austin Knight Recruitment,  
Knightway House,  
20 Soho Square,  
London W1A 1DS

BURMAH CASTROL COMPANY



## Finance Director

Fashion Import and Distribution

North East

Key position supporting the Managing Director in a £30m company created by rapid UK and International Expansion.

Role	Qualifications
Upgrading MIS systems	40-45 years old, qualified accountant with proven track record and experience of import/export finance.
Managing the financial implications of future expansion.	Keen commercial awareness
Making an influential contribution to future strategy.	Proven ability to deal with the banking community at a senior level.

The attractive remuneration package will be flexible to match the ability and experience of the successful applicant.

BDO  
BINDER  
HAMLYN

Please write in confidence giving concise career and salary details to Alan Haswell at BDO Binder Hamlyn, Pearl Assurance House, 7 New Bridge Street, Newcastle upon Tyne, NE1 8BQ. You may telephone for an informal discussion on 091 261 2481

## MERIDIEN BIAO HEAD OF FINANCE AND ACCOUNTS - BANKS IN AFRICA

The Meridien BIAO banking network includes banks in twenty African countries, anglophone and francophone. Applications are invited from qualified accountants (CA/CPA or equivalent) for posts as head of finance and accounts in some of these banks. Successful applicants will, as part of the senior management team in their bank, supervise the finance and accounts department and be responsible for timely preparation of budgets and forecasts, management accounts, group consolidation returns and key management reports.

Selection criteria include five years post-qualification experience including some in the banking sector, and familiarity with computer systems. Fluency in French as well as English and knowledge of French-based accounting practices would be advantages. Normal expatriate benefits will apply and the compensation package will not be a limiting factor.

Applications with C.V. should be sent to:

Managing Director  
PH Recruitment Ltd  
3 Shortlands  
London W6 8AL

## FINANCE AND ADMINISTRATION CONTROLLER

Highly successful investment promotion and management company requires a hands on accountant to join a small team and take responsibility for the Financial Accounting and Administration of a portfolio of investment companies.

The successful candidate will have at least three years experience in general accounting and administration and the motivation to work effectively with the minimum of supervision. Responsibilities will include all aspects of maintaining the accounting records, preparation of financial statements together with an involvement in regulatory and company secretarial matters. Familiarity with PCs/spreadsheet facilities is essential. This is a challenging opportunity and will be of interest to someone with ambition and the confidence to communicate at a senior level.

A competitive remuneration package will be available.

Interested candidates should send a comprehensive C.V.

(including details of current salary) to:

M.T. Fitzgerald, Laser Richmond Limited,  
Berkeley Square House, London W1X 6AN.

... an opportunity for an exceptional ACA/CIMA/MBA to join the world's leading cosmetic Group.

## Assistant Group Controller

c.£31,000+ benefits

(relocation assistance if necessary)

Central London

L'Oréal is the No. 1 cosmetics group in the world employing over 30,000 people in 300 subsidiary companies. Their continuing success and dominance is underpinned by a unique synergy between research, marketing and high quality technically advanced products. The organisation is entrepreneurial in style and has flexible, committed management, focused in small business teams.

In the UK, L'Oréal is present in all market sectors and distribution channels with many leading brand names - including Anais Anais, Ambre Solaire, Lancôme, Plenitude, Studio Line.

Due to an internal promotion the company is now looking to strengthen its Head Office finance team by appointing a new Assistant Group Controller.

Working at a senior level you will be expected to provide financial management support to the operating divisions. Responsibilities will include financial analysis, business appraisal, project work and management reporting and control.

This is seen as a high profile role within the group. The successful candidate will be a fluent French speaker and a qualified ACA or CIMA, with a minimum of 2 year's post qualification experience or MBA, ideally aged between 27-30.

This important appointment demands excellent communication skills, strong management presence and a flexible approach, combined with well developed accounting and analytical skills. These will have been gained from either the profession or at an operational level within an FMCG environment. Success in this appointment will lead to wide opportunities for development within the group with the potential for an international career.

For further information or an informal discussion please contact Sharmila Sharon Parekh at Financial Selection Services, Drayton House, Gordon Street, London WC1H 0AN, or telephone her on 071-587 5400 (eves on 081-363 0474).

L'ORÉAL

## FINANCE DIRECTOR

to steer an international technical  
consultancy through flotation and beyond

It's not just 2,500 staff and 23 offices around the world that give WS Atkins a special status in technical engineering and planning consultancy: it's our ability to field specialists from disciplines as diverse as engineering design, project management and planning to architecture and specialist services in safety, quality and environmental sciences to create teams that provide the all round response to clients' problems.

At a time of universal gloom in construction and engineering, our distinctive approach won us major new projects in over 40 countries last year, giving us the expectation of significant profit growth in the coming year and the confidence that our goal of a full listing in the foreseeable future is still attainable.

What we now need (as a result of internal promotion) is a business-minded Chartered Accountant. One of your early tasks will be to manage the business through its anticipated flotation and to provide the strategic financial direction of a service organisation that operates as a number of autonomous businesses, each of which is looking to continue its growth with the objective of enhancing its existing leading market position.

Making an impact in such a context demands much more than technical expertise; you will need to build effective working relationships with a management team in which technical disciplines are strongly represented, and most of all you will need to understand the dynamics of a business whose 'product' is individual and collective expertise.

However, you will find the financial systems and disciplines you would expect of a quoted company are already in place, as are communications with shareholders (over 50% of our shares are owned by our employees). You will also find the material rewards that should accompany an appointment at this level.

If you are seriously interested, you can send your c.v., accompanied by a letter describing how you fit the job, to: Roger Emberson, Personnel Director, WS Atkins, Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW.

Committed to equal opportunities.

WS/Atkins

## EUROPEAN MANAGEMENT ACCOUNTANT

Marlow - Bucks

£40,000 + Fully Expensed Car + Benefits

Our client, 3Com, is an innovator in standards-based data networking with products that offer customers a broad base of connectivity options. A rapidly expanding and successful U.S. company with a unique and powerful blend of global presence, technical expertise and industry vision, 3Com is poised to lead the market into the 21st Century.

In just two years it has already achieved a turnover in excess of \$500 million. On behalf of 3Com Europe Ltd we are seeking to recruit a dynamic qualified accountant to take responsibility for the timely and accurate management information for the European operations. Responsibilities will also include planning and forecasting. This is a high profile, developmental role within a constantly changing and demanding environment, requiring a technically strong accountant with extensive European exposure and a "hands-on" and proactive approach. Reporting to the European Finance Director, the successful candidate will also work closely with the President of 3Com Europe together with the Managing Directors of the 6 European Regions.

For further information please contact Karen Heathfield on 0444 416686 or alternatively fax your details to her on 0444 416002.

PLEASE NOTE THAT ALL APPLICATIONS WILL BE FORWARDED TO HEATHFIELD HARGREAVES LTD.



HEATHFIELD HARGREAVES

Leam

Chaucer House, 6 Bolto Road, Haywards Heath, West Sussex RH16 1BB  
Tel: 0444 416686 Fax: 0444 416002

## FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

vous faire part d'un accord publicitaire avec LES ECHOS le quotidien de l'économie le plus important en France. Une annonce dans la rubrique "Offres d'Emploi Internationales" dans le FINANCIAL TIMES et LES ECHOS augmentera de façon substantielle l'impact de votre message sur les cadres dirigeants en Europe. Chaque semaine les annonces paraîtront dans les Echos le mardi et dans le Financial Times le mercredi (le vendredi dans l'Edition Internationale du Financial Times). Pour de plus amples renseignements, veuillez contacter:

Clare Peasnell 071 873 4027



### Siberia's Urengoy region

nology or equipment not available in Russia, or for more exploration data on fields already discovered, but he expected no gas production or transmission joint ventures.

Russia's gas industry is one of the country's great — perhaps the only — success stories, western observers say. Mr. Suleimanov believes this is because of a powerful inertia in the gas industry, which keeps on producing in spite of lack of investment. In addition, Mr. Vyakhirev stressed: "We've done nothing [in the way of investment] in the past three years, we need to make up for that in the next four years".

This would boost production at the southern operation to 2.4m tonnes a year compared with current production of about 2.6m tonnes from the combined operations.

Asset write-downs, redundancy payments and restructuring were expected to cost about A\$40m before tax. Paminco said in October that it expected to return to profitability in the year to June, following two years of heavy losses.

Under the terms of the joint venture agreement Blue Kama

The joint venturers are also studying the feasibility of building an oil refinery close to the Blue Kama area. Tatarstan currently has no refining capacity of its own and meets its own domestic needs by importing refined products from neighbouring republics.

exporting grain exporting countries will seek every more inventive ways of servicing it," the report said. "The alternative could be a total default on current debt," it added.

Russia has been awaiting new credits for 3.5m tons of cereals from France, but terms of the guarantees have stalled the deal. Canada, the world's other large wheat exporter, long ago suspended wheat shipments to the CIS.

The IWC has projected that the CIS would import 25m tonnes of grain in the 1992-93 marketing years, down from 37.8m last year.

**THE STRUCTURAL** surplus in the world cocoa market from 1984-85 to 1990-91 is at an end, but prices are expected to recover only slowly to the year 2,000, according to a new study by the International Cocoa Organisation, Reuter reports.

The 1991-92 shortfall should begin a period when deficits outnumbered surpluses, it said.

Production and consumption should continue to grow, but much more slowly than during the last decade. The fall in stocks due to the predominance of deficits is expected to result in a recovery in prices in real as well as nominal terms.

## Chicago

**GYABANE 8,000 bu min; cents/bu bushel**

	Close	Previous	High/Low
Mar	572 1/8	571 1/2	582 1/2 570
May	575 1/2	583 1/8	584 1/4 574
Jul	579 1/2	588 1/2	588 1/2 574
Sep	580 1/4	589 1/2	589 1/2 580
Nov	581 1/2	587 1/2	587 1/2 581 1/2
Jan	586 1/2	584 1/2	595 1/4 584
Mar	594 1/2	601 1/8	608 1/4 594
May	601 1/8	606 1/8	602 1/2 601 1/2

**GYABANE 10,000 lbs min; cents/lb**

	Close	Previous	High/Low
Mar	20.76	21.43	21.44 20.73
May	21.04	21.88	21.87 21.04
Jul	21.22	21.86	21.87 21.21
Sep	21.26	21.88	21.84 21.26
Nov	21.28		

OYANMAN MEAL 100 tons; \$/ton				
	Close	Previous	High/Low	
ar	181.8	182.7	182.9	181.1
ay	181.6	183.6	183.6	181.8
ag	182.1	184.4	184.4	182.0
ah	182.8	185.3	186.1	183.7
af	182.8	186.1	186.1	185.9
at	186.0	187.2	188.3	184.8
aw	186.0	187.2	187.3	185.9
ax	186.0	188.3	188.7	187.2
az	186.0	188.6	188.0	187.8
OYANME 500 lb mix; cents/\$lb bushel				
	Close	Previous	High/Low	
ar	2150	2166	2170	2148
ay	2230	2242	2244	2204
ag	2230	2242	2244	2204
ah	2260	2274	2276	2240
af	2242	2256	2260	2242
at	2242	2256	2262	2240
aw	2242	2256	2262	2240
ax	2242	2256	2262	2240
az	2242	2256	2262	2240
MEAT 500 lb mix; cents/50-lb bushel				
	Close	Previous	High/Low	
ar	3754	3802	3820	3744
ay	3550	3592	3602	3482
ag	3262	3284	3290	3242
ah	3268	3320	3316	3264
af	3414	3450	3468	3394

	Close	Previous	High/Low	
b	77.400	77.875	78.100	77.500
r	76.625	77.325	77.450	77.800
g	72.550	72.975	73.150	72.600
n	71.150	71.425	71.500	71.050
c	71.675	72.225	72.300	71.650
b	72.225	72.600	72.550	72.200
	77.400	77.875	78.100	77.350

	Gross	Previous	High/Low	
	43,750	43,950	44,000	4,890
	43,328	43,950	43,650	4,900
	48,050	46,400	48,375	4,900
	47,580	47,775	47,875	4,450
	46,525	45,900	45,975	4,500
	41,600	41,725	41,850	4,800
	42,800	42,850	42,850	4,800
	42,950	43,050	43,200	4,950

	Gross	Previous	High/Low	
	34,375	35,800	36,200	34,000
	35,075	36,225	36,675	35,000
	36,250	37,275	37,500	36,800
	36,875	37,600	37,800	36,000











**UNIT 2-1**[illegible][illegible][illegible]











هكذا من الضمير



● Current Unit Trust prices are available from FT Cityline. For further details call (071) 925 2128.

[illegible]











1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85															

DE



## NYSE COMPOSITE PRICES

1982-83

High Low Stock

Vol. P/E Ratio

Div. Y. % E. \$/Sh. High

1982-83

High Low Stock

Vol. P/E Ratio

Div. Y. % E. \$/Sh. High

Continued from previous page

1982-83

High Low Stock

Vol. P/E Ratio

Div. Y. % E. \$/Sh. High

1982-83

High Low Stock

Vol. P/E Ratio

Div. Y. % E. \$/Sh. High

141	31 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
30	26 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
29	21 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
28	16 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
27	11 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
26	6 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
25	1 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
24	30 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
23	25 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
22	20 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
21	15 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
20	10 Salomon Bk	0.81	4.8	304	135	155													
19	5 Salomon Bk	0.81	4.8	304	135	155													
18	Salomon Bk	0.81	4.8	304	135	155													
17	Salomon Bk	0.81	4.8	304	135	155													
16	Salomon Bk	0.81	4.8	304	135	155													
15	Salomon Bk	0.81	4.8	304	135	155													
14	Salomon Bk	0.81	4.8	304	135	155													
13	Salomon Bk	0.81	4.8	304	135	155													
12	Salomon Bk	0.81	4.8	304	135	155													
11	Salomon Bk	0.81	4.8	304	135	155													
10	Salomon Bk	0.81	4.8	304	135	155													
9	Salomon Bk	0.81	4.8	304	135	155													
8	Salomon Bk	0.81	4.8	304	135	155													
7	Salomon Bk	0.81	4.8	304	135	155													
6	Salomon Bk	0.81	4.8	304	135	155													
5	Salomon Bk	0.81	4.8	304	135	155													
4	Salomon Bk	0.81	4.8	304	135	155													
3	Salomon Bk	0.81	4.8	304	135	155													
2	Salomon Bk	0.81	4.8	304	135	155													
1	Salomon Bk	0.81	4.8	304	135	155													
141	31 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
30	26 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
29	21 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
28	16 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
27	11 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
26	6 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
25	1 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
24	30 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
23	25 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
22	20 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
21	15 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
20	10 Salomon Bk	0.81	4.8	304	135	155													
19	5 Salomon Bk	0.81	4.8	304	135	155													
18	Salomon Bk	0.81	4.8	304	135	155													
17	Salomon Bk	0.81	4.8	304	135	155													
16	Salomon Bk	0.81	4.8	304	135	155													
15	Salomon Bk	0.81	4.8	304	135	155													
14	Salomon Bk	0.81	4.8	304	135	155													
13	Salomon Bk	0.81	4.8	304	135	155													
12	Salomon Bk	0.81	4.8	304	135	155													
11	Salomon Bk	0.81	4.8	304	135	155													
10	Salomon Bk	0.81	4.8	304	135	155													
9	Salomon Bk	0.81	4.8	304	135	155													
8	Salomon Bk	0.81	4.8	304	135	155													
7	Salomon Bk	0.81	4.8	304	135	155													
6	Salomon Bk	0.81	4.8	304	135	155													
5	Salomon Bk	0.81	4.8	304	135	155													
4	Salomon Bk	0.81	4.8	304	135	155													
3	Salomon Bk	0.81	4.8	304	135	155													
2	Salomon Bk	0.81	4.8	304	135	155													
1	Salomon Bk	0.81	4.8	304	135	155													
141	31 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
30	26 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
29	21 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
28	16 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
27	11 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
26	6 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
25	1 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
24	30 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
23	25 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
22	20 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
21	15 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
20	10 Salomon Bk	0.81	4.8	304	135	155													
19	5 Salomon Bk	0.81	4.8	304	135	155													
18	Salomon Bk	0.81	4.8	304	135	155													
17	Salomon Bk	0.81	4.8	304	135	155													
16	Salomon Bk	0.81	4.8	304	135	155													
15	Salomon Bk	0.81	4.8	304	135	155													
14	Salomon Bk	0.81	4.8	304	135	155													
13	Salomon Bk	0.81	4.8	304	135	155													
12	Salomon Bk	0.81	4.8	304	135	155													
11	Salomon Bk	0.81	4.8	304	135	155													
10	Salomon Bk	0.81	4.8	304	135	155													
9	Salomon Bk	0.81	4.8	304	135	155													
8	Salomon Bk	0.81	4.8	304	135	155													
7	Salomon Bk	0.81	4.8	304	135	155													
6	Salomon Bk	0.81	4.8	304	135	155													
5	Salomon Bk	0.81	4.8	304	135	155													
4	Salomon Bk	0.81	4.8	304	135	155													
3	Salomon Bk	0.81	4.8	304	135	155													
2	Salomon Bk	0.81	4.8	304	135	155													
1	Salomon Bk	0.81	4.8	304	135	155													
141	31 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
30	26 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
29	21 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
28	16 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
27	11 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
26	6 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
25	1 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
24	30 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
23	25 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
22	20 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
21	15 Salomon Bk	0.81	4.8	304	135	155	37	57	45	75	Templeton	0.58	2.0	18	261	47	48	94	84
20	10 Salomon Bk	0.81	4.8	304	135	155													
19	5 Salomon Bk	0.81	4.8	304	135	155													
18	Salomon Bk	0.81	4.8	304	135	155													
17	Salomon Bk	0.81	4.8	304	135	155													
16	Salomon Bk	0.81	4.8	304	135	155													
15	Salomon Bk	0.81	4.8	304	135	155													
14	Salomon Bk	0.81	4.8	304	135	155													
13	Salomon Bk	0.81	4.8	304	135	155													
12	Salomon Bk	0.81	4.8	304	135	155													
11	Salomon Bk	0.81	4.8	304	135	155													
10	Salomon Bk	0.81	4.8	304	135	155													
9	Salomon Bk	0.81	4.8	304	135	155													
8	Salomon Bk	0.81	4.8	304	135	155													
7	Salomon Bk	0.81	4.8	304	135	155													
6	Salomon Bk	0.81	4.8	304	135	155													
5	Salomon Bk	0.81	4.8	304	135	155													
4	Salomon Bk	0.81	4.8	304	135	155													
3	Salomon Bk	0.81	4.8	304	135	155													
2	Salomon Bk	0.81	4.8	304	135	155													

**NASDAQ NATIONAL MARKET**[illegible]

## AMEX COMPOSITE PRICES

	PV	Site	High	Low	Close	Chang	Streak		PV	Site	High	Low	Close	Chang	Streak		PV	Site	High	Low	Close	Chang	Streak
Stock	Div.	%	%	%	%	%	%	Div.	%	%	%	%	%	%	%	Div.	%	%	%	%	%	%	
Air Corp	0.114	17	2	28	13	27	+	China	0.07	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28	13	27	+	Chong	0.08	0	1	14	1	14	+	Div.	1	18	2	2	2	2	+
Alfa Ind	0.14	17	2	28</																			

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377
--	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------

[illegible]

# GET YOUR FT BY HAND DELIVERY IN SWITZERLAND.

If you work in the business centres of Baar, Basel, Bern, Biel, Fribourg and the coastal towns and villages of Lac Lemman from Geneva to Villeneuve, Lausanne, Lugano, Luzern, Neuchâtel, St Gallen, Zug, Winterthur, Zurich and the towns and villages around Zurichsee, we will deliver your daily copy of the FT to your office at no extra cost. Call Peter Lancaster or Denise Morel for details on Geneva (022) 7311604



**INTERNATIONAL  
TAXATION**

The FT proposes to publish this survey on **February 18 1993**. Should you be interested in acquiring more information about this survey or wish to advertise in this feature, please contact Sara Mason

**Tel: 071-873 3349  
Fax: 071-873 3064**



## AMERICA

## Modest Dow gain on mixed economic data

## Wall Street

US EQUITIES edged slightly higher yesterday morning, reversing the previous day's sell-off, but gains were modest in the wake of mixed economic news, writes Karen Zagor in New York.

At 1pm, the Dow Jones Industrial Average was up 14.59 at 3,305.98. The more broadly based Standard & Poor's 500 was 0.82 higher at 438.93, while the Amex composite eased 0.22 to 409.98. Secondary stocks continued to lag, with the Nasdaq composite down 1.80 at 696.10. NYSE volume was 154m shares by 1pm, and rises outnumbered declines by 859 to 808.

On Wednesday, the Dow closed 7.56 lower at 3,298.38. There was encouraging news from the Commerce Department, which reported that gross domestic product was up 3.8 per cent in the fourth quarter at a seasonally adjusted annual rate, above predictions at 3.1 per cent.

But enthusiasm was tempered by a report that initial claims for state unemployment insurance had risen by 5,000 in the week ended January 18 to 364,000, a decline of 9,000 had been expected.

American Express continued

to move lower in active trading, falling 1/4 to \$22 1/4. Investors remained discontented with the decision of Mr James Robinson to remain chairman of the group and to take over the running of its brokerage subsidiary, Shearson Lehman.

Trading was also heavy in Service Merchandise, a catalog and showroom merchandiser. The stock plunged 3 1/2 to \$11 1/2 after the company posted flat fourth quarter net earnings of 88 cents a share. Analysts had expected earnings of 99 cents in the latest quarter.

In the airline sector, Delta Air Lines eased 1/4 to \$50 1/4 following a second quarter net loss of \$3.04 a share against a

deficit of \$3.89 a year earlier. Delta also slashed its quarterly dividend to 5 cents a share from 30 cents.

UAI, parent of United Airlines, tumbled 2 1/4 to \$123 on the back of a fourth quarter loss of \$9.27 a share compared with \$10.69 last year. The company also said it was cutting 2,700 jobs.

On the Nasdaq market, technology issues continued to lead favour with investors, with Intel down 3 1/4 to \$109 1/4 and Microsoft off 1/4 to \$86 1/4. Sun Microsystems dropped 3/4 to \$37 1/4. Some analysts have reduced their ratings on the stock following disappointing second quarter earnings.

Lotus Development, the personal computer software maker, bucked the trend by adding 3/4 to \$23 1/4 on the back of fourth quarter net income of 35 cents a share. A year earlier, Lotus earned 14 cents, including a one-time charge.

Canada

TORONTO stocks eased at

midday, pressured by losses

in the property sector. The

TSX 300 index fell 8.34 to 4,203.3.

Among gainers, BCE climbed

C\$4 to C\$44 1/4 in the wake of

its announcement late the previous

day of a record rise in 1992 earnings.

## EUROPE

## Analysts ease early pressure on steels

STEEL groups came under early pressure yesterday after the US announced that it was imposing tariff duties on imports from seven EC countries, writes Our Markets Staff.

However, some analysts commented that this measure might have less effect on the sector than instinctive reactions had suggested: the EC only exports about 3.6 per cent of its total steel production of some 134m tonnes to the US.

BRUSSELS saw steel stocks recover in late trading: Cockfield, which had been as low as BFR39 closed just BFR1 weaker at BFR40 after saying that it had little exposure to the US. The group also announced that it was to lift prices by between 15 and 20 per cent, in line with increases that have recently been announced by other European producers. Clabecq was flat at BFR366 after saying BFR345, and Arbed regained BFR1,980 after BFR1,920, BFR15 down on the day.

The Bel-20 index was 2.43

higher at 1,180.88 in turnover

of BFR1bn.

AMSTERDAM fell back as

Hoogovens reacted to the US

decision, easing 80 cents to

FI 28.10 but off the day's low of FI 25.30. The CBS Tendency index lost 0.5 to 97.2. Dax remained suspended at FI 730: after the close the government said that "several more weeks" were needed for the restructuring plans to be finalised.

FRANKFURT reversed early losses in the face of poor inflation figures from Hesse and bleak company news from Thyssen, the DAX index finished 5.52 higher at 1,587.84 after a low of 1,566.36. Dealers, once a low of 1,566.36. Dealers, once a low of 1,566.36. Dealers, once a low of 1,566.36.

In the steel sector, shares showed little reaction to US plans to levy duties on steel imports. Thyssen ended DML1.50 higher at DML17, but had fallen DML7 on Wednesday, anticipating yesterday's forecast of a further deterioration in 1992/93 results. In engineering, KHD fell DML1.80 to DML100 as it confirmed that a rights issue was on the way.

PARIS was generally firmer although Alcatel Alsthom, went against the trend with a FFR15 fall to FFR610, reflecting

## FT-SE Actuaries Share Indices

		THE EUROPEAN SERIES							
January 28		Open	10.30	11.00	12.00	13.00	14.00	15.00	CLOSE
Hourly changes									
FT-SE Eurotrack 100		1069.57	1068.17	1067.88	1068.25	1069.30	1070.24	1072.50	1072.70
FT-SE Eurotrack 200		1148.87	1148.55	1144.90	1145.25	1145.39	1146.98	1146.86	1148.08
		Jan 27	Jan 26	Jan 25	Jan 22	Jan 21			
FT-SE Eurotrack 100		1072.28	1084.24	1077.68	1081.84	1081.44	1081.44	1091.44	1091.44
FT-SE Eurotrack 200		1147.45	1156.52	1146.87	1155.91	1155.91	1155.91	1154.96	1154.96
Base rate 100% (25.10/90) Highways 100 - 107.72/90 Low 100 - 108.00/90 - 114.28/90									

disappointment after a forecast of flat earnings in 1993. The CAC-40 index closed 3.29 higher at 1,780.64, off the day's low of 1,755.90, in turnover of some FFR3bn.

BSN was one of the main risers, up FFR1 at FFR623, after estimating a 5 per cent increase in 1992 earnings and saying that it was optimistic about the current year, while Cap Gemini advanced FFR3.30 to FFR148.30 after reporting a net 1992 loss of FFR50m, down from FFR560m in 1991.

The banking sector remained weak after Standard and Poor's said on Wednesday that it was placing a number of banks on its creditwatch list. Suez shed FFR4.00 to FFR256.50 and Paris lost FFR1.20 to FFR33.80.

MILAN saw institutional investors emerge as bargain hunters after a weak opening and the Comit index finished 2.36 lower at 478.02.

Fiat fixed L160 lower at L4,100 but recovered to L4,170 after hours as the market awaited the group's preliminary 1992 results. In the event, chairman Giovanni Agnelli's letter to shareholders, released after the close, revealed better operating income than expected but a worse net debt position. IFI, the parent company, dipped L350 to L3,500.

Montedison continued lower, losing L55 to L1,100, on concern that ENI, its former joint venture partner in Enimont, may press for up to L900bn reimbursement and uncon-

firmed reports that a warrant had been issued for the arrest of a former chairman over a contribution to a political party.

ZURICH pulled up after the previous day's lows and the SMI index ended 8.5 higher at 2,072.6. Swissair gained SFR22 to SFR507 as investors welcomed its exploratory talks with KLM on possible cooperation. Adia fell SFR27 to SFR188 after announcing plans to cut its equity capital to cover projected 1992 losses of SFR200m.

MADRID, the best performing market in Europe after some three weeks of 1993, took a critical look at itself and dropped the general index by nearly four points in the morning before it recovered to close 2.18 lower at 228.57.

Construction stocks led the declines with Cubiertas losing Pta150 to Pta3,850, Dragados Pta45 to Pta1,285 and FCC Pta400 to Pta8,000. STOCKHOLM fell on worries in the banking sector and the Azvavindex index lost 13.9 to 578.1. Turnover was some SKr67bn after SKr565m. Electrolux B slipped SKr5 to SKr210 ahead of its 1992 results.

## Athens regains confidence on EC funding package

## Kerin Hope finds a new mood among investors

While Greek politicians still argue about which projects to include in an infrastructure programme made possible by EC funding, the prospect of Ecu20bn (\$18bn) flowing in from Brussels over the next seven years is already contributing to a recovery on the Athens Stock Exchange.

Cement and construction issues have shown sharp gains and a small engineering group, for instance, whose shares were rarely traded, suddenly found itself accounting for more than 1 per cent of daily orders fed into the bourse's new electronic trading system.

As a result the general index has gained momentum, closing yesterday at 741.35, up nearly 8 per cent from the start of the year. Volume has also climbed steadily over the past few weeks, reaching Dr1.7bn (\$8m) at a number of sessions.

Mr John Markopoulos, managing director of Sigma Securities, says: "It is a cautious sort of recovery; but it is clear that confidence is returning after a rather long gap. Investors have woken up to the fact that price-earnings ratios are low, around seven to eight on average." This compares with a pie of between 10 to 11 times at the start of 1992.

The announcement in December of the second EC package, with its guarantee of sustained public investment, could not have come at a better time. A prolonged slide during most of 1992 took the general index to a 33-month low in November. Even after a 27 per cent jump in just four weeks, the index showed a loss of 17 per cent on the year.

The year-end figures revealed a depressing picture,

with market capitalisation declining in 1992 by 11 per cent to Dr1.04bn. The total value of share transactions plunged by 31 per cent to Dr36bn, with average trading volume down to around Dr1.2bn.

Even listed companies shunned the market as a source of capital, with several leading industrial groups preferring to raise fresh funds through issues of corporate bonds. Only two small invest-

ment companies joined the bourse in 1992, compared with 17 entrants the previous year. To a large extent, the small investors who are normally responsible for a high percentage of turnover on the Athens exchange were lured away by attractive interest rates offered on government paper.

Although inflation was at 14.4 per cent in December, the need to finance the bloated public deficit kept this month's rate for one-year Treasury bills, by far the most popular investment instrument, as high as 22.5 per cent. Nevertheless, as the government's economic stabilisation

programme enters its third year, inflation is forecast to decline faster, dropping to 9 per cent by the end of the year. A fall in interest rates, currently standing at about 27 per cent, is also expected, gathering speed after the summer.

Mr Dimitri Vartopoulos, an investment consultant at Alpha Brokerage, says: "The economy is starting to get back into shape and the outlook for growth is encouraging. Institutional investors from abroad are looking at Athens again."

The real test for the market this year will come when the government launches a series of privatisations through the stock market.

Housing Bank and Bank of Central Greece, both subsidiaries of large state-controlled banks which are already listed, are to be sold through public tender offers on the exchange. This method has already proved successful in the sale earlier this month of Bank of Athens, a subsidiary of National Bank, to a Korean-owned investment group.

However, these listings will be small by comparison with the projected offering this summer of a 14 per cent stake in OTE, the state telecommunications group. The flotation is set to follow the planned direct sale of another 35 per cent of the company to an international telecoms operator.

The government hopes to raise about Dr100bn from the partial flotation of OTE. But concern is already being voiced over whether the market can absorb such a large issue. Analysts point out that the country's largest public offering to date, launched when the market was riding high in 1991, raised a total of Dr20bn.

## ASIA PACIFIC

## Nikkei clears 17,000 on interest rate hopes

## Tokyo

RENEWED hopes of a cut in the official discount rate and active buying by life insurers bolstered sentiment, and the Nikkei average surged by 3.4 per cent, clearing the 17,000 level for the first time since December 28, writes Emiko Terazono in Tokyo.

The index moved lower in early trading, falling to the day's low of 16,471.78, but moved ahead on late afternoon buying, hitting the day's best of 17,086.79 just before closing 553.73 ahead at 17,063.41.

Volume rose from 220m shares to 300m, the highest since December 18. Advances overwhelmed declines by 682 to 123, with 123 issues unchanged, and the Topix index of all first section stocks climbed 31.77 to 1,291.87. In London, however, the ISE/Nikkei 50 index shed 1.20 to 1,048.12.

Short-covering by dealers and active buying by public funds and foreigners also pushed up share prices. Rumours that financial authorities and politicians were trying to oust Mr Yasushi Mieno, the Bank of Japan governor, who has been seen as leading the opposition to easier monetary policy, prompted hopes of a discount rate cut.

Some market participants speculated that the sudden surge was prompted by the Ministry of Finance, which has been nervous over recent market talk of a February crash. "It seems as if the MoF is doing some arm-twisting," said one analyst.

Shipbuilders stayed active on calls by the Transport Ministry for regulations to prevent oil spills, including requirements for tankers to have double hulls. Sasebo Heavy Industries rose Y18 to Y543. Mitsui Ship-

building put on Y20 at Y387 and Hitachi Zosen gained Y26 at Y516.

Interest rate-sensitive electric power issues gained ground. Tokyo Electric Power moved ahead Y70 to Y2,570 and Tohoku Electric Power advanced Y80 to Y2,440.

Isuzu Motors, the most active issue of the day, rose Y14 to Y384 on speculative buying by dealers on the "restructuring" theme, which also lifted Oki Electric by Y11 to Y366.

High-technology issues gained on short-covering, NEC, which had been weak recently on earnings worries, advanced Y33 to Y650 and Pioneer Electronic added Y130 to Y2,400. Mitsubishi Electric, which weakened in the morning on reports of lower than expected earnings, rebounded to finish Y8 up on balance at Y493.

In Osaka, the OSE average put on 405.02 at 18,290.36 in volume of 51.2m shares.

## Roundup

TOKYO's rise left some Pacific Rim markets unimpressed. HONG KONG was marked broadly lower amid selling by overseas funds after renewed Chinese attacks in the Sino-British row. The Hang Seng index shed 135.30, or 2.98 per cent, to 5,504.50 in volume of HK\$2.58bn, up from Wednesday's HK\$2.03bn.

Bank of East Asia's 36 per cent increase in 1992 profits, announced shortly after the afternoon session opened, was below some estimates. The shares slipped 25 cents to HK\$35.75.

AUSTRALIA staged a slow advance after the release of data showing the annual infla-

tion rate at just 0.3 per cent; but share prices fell away towards the close after the federal government downgraded its 1992-93 economic growth forecast to 2.5 per cent from 3.0 per cent.

The All Ordinaries index ended barely above the day's low, down 8.1 at 1,528.7. Turnover was a light A\$230.64m.

SINGAPORE failed for the second successive day to sustain an intra-day record high. The Straits Times Industrial index touched 1,607.91 in morning trade but profit-taking left it a net 4.64 down to 1,588.23. Volume improved to 65.47m shares from Wednesday's 56.86m.

Singapore Press Foreign moved forward 80 cents to S\$15.70 amid reports of analysts rating earnings and rumours of a cover price rise. SEOL's composite index

declined for the third day in a row, by 6.73 to this month's low of 887.79.

MANILA was firmer and the composite index appreciated 16.56 to 1,340.90 in higher turnover of 4.36m shares, compared with Wednesday's 2.4bn.

KUALA LUMPUR was generally lower, with the composite index weakening 6.49 to finish at 518.41.

Tenaga shed 30 cents to M\$9.20 in active trade, while Telekom lost 50 cents to M\$13.

BANGKOK saw selling of leading bank stocks and the SET index slipped 8.87 to 974.54. BOMBAY climbed again on budget hopes, the BSE index rising 50.23 to 2,645.36 in hectic trading stimulated by Mr John Major, the British prime minister, and Mr Boris Yeltsin, the Russian president.

## FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Limited in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS		WEDNESDAY JANUARY 27 1993										TUESDAY JANUARY 26 1993										DOLLAR INDEX											
		US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	1992/93 High	1992/93 Low	Year ago (approx)														
Figures in parentheses show number of lines of stock																																	
Australia (68)	121.01	+0.2	0.18	94.89	92.83	119.24	+0.3	4.08	120.78	116.43	94.40	99.03	118.65	153.68	108.18	143.95	140.85	+1.1	137.88	110.29	115.79	114.12	113.58	186.70	131.16	172.64							
Austria (18)	140.85	+1.1	0.87	108.28	111.14	116.69	+0.1	5.00	142.33	137.40	111.40	118.86	114.06	157.27	131.19	144.39	141.74	+0.1	112.06	88.76	94.23	105.31	+0.1	3.14	114.32	110.20	89.35	93.72	105.21	142.12	111.36	138.22	
Belgium (42)	141.74	+0.6	0.38	176.71	114.14	116.69	+0.1	5.29	142.33	137.40	111.40	118.86	114.06	157.27	131.19	144.39	141.74	+0.6	112.06	88.76	94.23	105.31	+0.1	3.14	114.32	110.20	89.35	93.72	105.21	142.12	111.36	138.22	
Canada (113)	114.47	+0.1	0.12	110.08	96.78	94.23	+0.1	3.14	114.32	110.20	89.35	93.72	105.21	142.12	111.36	138.22	114.47	+0.1	112.06	88.76	94.23	105.31	+0.1	3.14	114.32	110.20	89.35	93.72	105.21	142.12	111.36	138.22	
Denmark (33)	210.28	+0.1	0.05	86.48	88.92	173.11	+0.74	+0.9	1.56	210.03	202.47	164.17	172.20	173.18	273.94	181.70	265.24	210.28	+0.1	205.85	164.89	173.11	174.74	+0.9	1.56	210.03	202.47	164.17	172.20	173.18	273.94	181.70	265.24
France (58)	147.85	-1.0	-0.68	115.77	121.55	124.03	-0.7	3.51	149.30	143.92	118.69	122.40	124.89	188.76	136.83	182.68	147.85	-1.0	144.54	115.77	121.55	124.03	-0.7	3.51	149.30	143.92	118.69	122.40	124.89	188.76	136.83	182.68	
Germany (62)	108.02	-1.2	-1.05	94.71	88.92	88.92	-0.8	2.57	109.32	105.36	85.45	89.83	89.83	129.99	101.59	118.44	108.02	-1.2	105.74	84.71	88.92	88.92	-0.8	2.57	109.32	105.36	85.45	89.83	89.83	129.99	101.59	118.44	
Hong Kong (55)	236.43	+0.1	0.04	185.39	194.55	234.08	+0.1	3.63	236.26	227.75	194.86	193.71	234.42	262.28	176.36	188.71	236.43	+0.1	231.45	185.39	194.55	234.08	+0.1	3.63	236.26	227.75	194.86	193.71	234.42	262.28	176.36	188.71	
Ireland (16)	142.75	+1.29	0.93	111.93	117.52	121.27	+2.9	4.39	141.10	136.01	110.28	115.88	116.20	175.71	122.98	170.98	142.75	+1.29	139.74	111.93	117.52	121.27	+2.9	4.39	141.10	136.01	110.28	115.88	116.20	175.71	122.98	170.98	
Italy (76)	56.54	-0.7	-1.25	46.88	46.01	65.59	+0.9	3.17	58.99	57.82	46.88	49.18	65.03	80.86	47.47	70.78	56.54	-0.7	56.28	46.88	46.01	65.59	+0.9	3.17	58.99	57.82	46.88	49.18	65.03	80.86	47.47	70.78	
Japan (472)	101.88	+0.0	0.00	99.73	79.89	83.85	+0.4	1.04	101.84	98.17	79.80	83.51	79.80	140.85	87.27	124.96	101.88	+0.0	99.73	79.89	83.85	+0.4	1.04	101.84	98.17	79.80	83.51	79.80	140.85	87.27	124.96		
Malaysia (65)	260.02	-0.5	-0.19	254.95	203.89	214.08	-0.3	2.54	261.51	252.09	204.39	214.40	261.41	282.42	212.48	225.16	260.02	-0.5	254.95	203.89	214.08	-0.3	2.54	261.51	252.09	204.39	214.40	261.41	282.42	212.48	225.16		
Mexico (16)	187.93	-0.3	-0.16	135.78	136.42	5674.50	-1.1	1.06	189.37	1630.43	1321.99	136.72	5738.24	1788.77	1165.84	1529.18	187.93	-0.3	162.73	122.36	128.48	126.84	-1.0	1.06	189.37	1630.43	1321.99	136.72	5738.24	1788.77	1165.84	1529.18	
Netherlands (25)	159.99	-0.8	-0.52	122.35	126.48	126.84	-0.1	4.49	156.85	151.20	122.80	126.86	126.87	168.70	147.88	159.99	159.99	-0.8	122.35	126.48	126.84	-0.1	4.49	156.85	151.20	122.80	126.86	126.87	168.70	147.88	159.99		
New Zealand (13)	159.99	-0.8	-0.52	122.35	126.48	126.84	-0.1	4.49	156.85	151.20	122.80	126.86	126.87	168.70	147.88	159.99	159.99	-0.8	122.35	126.48	126.84	-0.1	4.49	156.85	151.20	122.80	126.86	126.87	168.70	147.88	159.99		
Portugal (22)	140.56	+2.3	1.67	137.00	112.22	118.35	-2.0	1.88	143.83	136.65	112.42	117.93	130.95	129.95	126.05	140.56	140.56	+2.3	137.00	112.22	118.35	-2.0	1.88	143.83	136.65	112.42	117.93	130.95	129.95	126.05	140.56		
Singapore (38)	214.34	-0.2	-0.09	83.08	106.8	176.46	0.15	-0.1	2.04	214.31	208.97	167.82	176.03	161.82	229.67	176.15	214.34	-0.2	209.83	106.8	176.46	0.15	-0.1	2.04	214.31	208.97	167.82	176.03	161.82	229.67	176.15	214.34	
South Africa (50)	159.99	+1.3	0.84	124.05	124.04	160.47	+0.1	3.1	156.20	150.67	122.08	128.06	163.84	269.80	134.21	255.84	159.99	+1.3	124.05	124.04	160.47	+0.1	3.1	156.20	150.67	122.08	128.06	163.84	269.80	134.21	255.84		
Spain (47)	129.86	-0.8	-0.62	122.12	101.91	106.99	-0.1	5.49	131.02	126.30	102.41	107.42	110.97	161.72	107.10	156.33	129.86	-0.8	122.12	101.91	106.99	-0.1	5.49	131.02	126.30	102.41	107.42	110.97	161.72	107.10	156.33		
Sweden (36)	156.33	-0.9	-0.53	122.74	128.86	126.75	-0.4	2.61	157.35	152.28	123.48	123.81	169.44	200.07	149.08	184.01	156.33	-0.9	122.74	128.86	126.75	-0.4	2.61	157.35	152.28	123.48	123.81	169.44	200.07	149.08	184.01		
Switzerland (58)	127.69	-1.8	-1.42	92.12	92.12	106.95	+0.0	3.82	127.69	127.69	92.12	92.12	106.95	127.69	92.12	106.95	127.69	-1.8	92.12	92.12	106.95	+0.0	3.82	127.69	127.69	92.12	92.12	106.95	127.69	92.12	106.95		
United Kingdom (229)	172.69	-1.8	-1.05	105.43	126.16	106.95	+0.0	4.0	175.45	159.13	137.12	143.81	123.81	169.44	200.07	149.08	172.69	-1.8	105.43	126.16	106.95	+0.0	4.0	175.45	159.13	137.12	143.81	123.81	169.44	200.07	149.08	184.01	
USA (522)	178.06	-0.4	-0.22	144.81	147.42	125.08	-0.4	2.86	179.85	173.37	140.58	147.42	178.06	180.92	162.97	178.06	178.06	-0.4	144.81	147.42	125.08	-0.4	2.86	179.85	173.37	140.58	147.42	178.06	180.92	162.97	178.06		
Australia (780)	138.41	-1.2	-1.35	108.53	113.95	125.98	-0.3	3.75	140.10	136.05	109.50	114.87	125.96	166.88	131.31	146.30	138.41	-1.2	108.53	113.95	125.98	-0.3	3.75	140.10	136.05	109.50	114.87	125.96	166.88	131.31	146.30		
Nordic (114)	148.04	-0.7	-0.44	116.09	121.88	138.31	-0.1	2.21	148.14	143.76	116.57	122.27	138.40	168.52	141.24	185.27	148.04	-0.7	116.09	121.88	138.31	-0.1	2.21	148.14	143.76	116.57	122.27	138.40	168.52	141.24	185.27		
Pacific Basin (715)	107.05	+0.0	0.00	149.79	83.94	68.13	85.82	+0.3	1.40	107.01	103.16	83.84	87.74	85.33	141.97	93.70	107.05	+0.0	149.79	83.94	68.13	85.82	+0.3	1.40	107.01	103.16	83.84	87.74	85.33	141.97	93.70	107.05	
Europe - Pacific (4935)	119.75	-0.8	-0.67	112.22	93.89	98.38	-0.1	2.51	120.42	116.08	94.11	98.72	101.81	145.21	113.30	136.08	119.75	-0.8	112.22	93.89	98.38	-0.1	2.51	120.42	116.08	94.11	98.72	101.81	145.21	113.30	136.08		
North America (635)	175.06	-0.4	-0.23	127.28	144.14	171.06	-0.4	2.88	175.79	169.48	137.94	141.14	174.79	176.04	159.13	165.48	175.06	-0.4	127.28	144.14	171.06	-0.4	2.88	175.79	169.48	137.94	141.14	174.79	176.04	159.13	165.48		
Europe Ex. UK (554)	117.71	-0.8	-0.67	112.22	93.89	98.38	-0.1	2.51	120.42	116.08	94.11	98.72	101.81	145.21	113.30	136.08	117.71	-0.8	112.22	93.89	98.38	-0.1	2.51	120.42	116.08	94.11	98.72	101.81	145.21	113.30	136.08		
Asia Pacific (243)	120.98	-0.5	-0.41	118.43	92.87	98.80	-0.3	2.82	118.10	117.65	92.87	98.80	118.10	117.65	92.87	98.80	120.98	-0.5	118.43	92.87	98.80	-0.3	2.82	118.10	117.65	92.87	98.80	118.10	117.65	92.87	98.80		
World Ex. US (1356)	120.98	-0.5	-0.41	118.43	92.87	98.80	-0.3	2.82	118.10	117.65	92.87	98.80	118.10	117.65	92.87	98.80	120.98	-0.5	118.43	92.87	98.80	-0.3	2.82	118.10	117.65	92.87	98.80	118.10	117.65	92.87	98.80		
World Ex. UK (1982)	136.47	-0.3	-0.23	127.28	144.14	171.06	-0.4	2.88	136.95	132.02	107.93	112.29	123.05	150.58	127.21	143.84	136.47	-0.3	127.28	144.14	171.06	-0.4	2.88	136.95	132.02	107.93	112.29	123.05	150.58	127.21	143.84		
World Ex. So. Af. (2148)	139.59	-0.5	-0.35	106.45	104.73	126.83	-0.2	2.66	140.28	135.23	106.86	115.83	126.83	150.58	127.21	143.84	139.59	-0.5	106.45	104.73	126.83	-0.2	2.66	140.28	135.23	106.86	115.83	126.83	150.58	127.21	143.84		
World Ex. Japan (1730)	160.80	-0.6	-0.37	126.10	132.40	154.38	-0.3	3.20	161.85	156.01	126.10	132.40	154.38	160.80	-0.6	-0.37	126.10	-0.6	126.10	132.40	154.38	-0.3	3.20	161.85	156.01	126.10	132.40	154.38	160.80	-0.6	-0.37		
The World Index (2208)	139.61	-0.5	-0.36	106.45	104.73	126.83	-0.2	2.67	140.28	135.23	106.86	115.83	126.83	150.58	127.21	143.84	139.61	-0.5	106.45	104.73	126.83	-0.2	2.67	140.28	135.23	106.86	115.83	126.83	150.58	127.21	143.84		